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NEWS SUMMARY

Fears for 146 in jet crash

A British charter aircraft carrying 138 passengers and eight crew was last night feared to has crashed into the Atlantic off the Canary Islands.

All contact with the Dan-Air Boeing 727, flying from Manchester to Tenerife, was lost shortly before it was due to land.

Wreckage was sighted just before nightfall by search planes, but there was no sign of survivors.

The aircraft issued a distress call to Spanish air control at about 1.40 am, 10 minutes after it was due to land, according to reports reaching the Department of Trade in London.

But Tenerife airport said the last message came from the plane at about 1.30 and was a "perfectly normal" request for permission to land. Weather conditions were normal, with light cloud.

The plane's flight number was DA 1008. Most of the passengers were believed to be from the Greater Manchester area, also Huddersfield, parts of Yorkshire and the Midlands.

The Civil Aviation Authority in London said landing at Tenerife airport was "like coming in on an escarpment."

Dan-Air's last disaster was on July 31 last year, when a Hawker Siddeley 748 plunged off the runway at Sumburgh Airport, Shetland, killing 17 people.

A team of accident experts from the Department of Trade last night flew from London to Tenerife to assist the Spanish authorities.

GENERAL

Plan may settle EEC row

Italian Premier Francesco Cossiga launched a plan which strengthens hopes of progress towards an agreement on Britain's EEC budget contributions at the weekend summit in Luxembourg. Back Page

London shooting

Libyan lawyer Mahmoud Nafaa, 40, was shot dead for suspected political reasons by two gunmen at the Arab Legal Centre in London. Police detained two men. Page 3

'Life' for boy

Robert Cammerer, 14, of Havant, Hants., was sentenced at Winchester Crown Court to be detained for life for killing Kelli Thomas, 6, who was strangled and crushed. Cammerer was found guilty of manslaughter by reason of diminished responsibility.

Missionary killed

British missionary Father Francis McGrath was killed in an attack by robbers at a school in Eastern Uganda.

Seven held

Seven men from Ulster were being held by police in Stranraer, Scotland, under the Prevention of Terrorism Act. No charges had been made.

Martial law

Liberia's revolutionary Government declared martial law and suspended the constitution "until further notice."

Sweden at halt

Much of Sweden's public transport stopped as 14,000 public sector workers went on strike. All airline traffic was halted.

No Kelly inquiry

The Home Secretary said no useful purpose would be served by setting up a further public inquiry into the death of James Kelly, who died in police custody on Merseyside.

Briefly . . .

Doctors treating President Tito of Yugoslavia said his condition was extremely grave with no signs of improvement.

Six naval airmen received bravery awards for their part in rescue operations in last year's Fastnet yacht tragedy.

Bangladesh Cabinet was reshuffled following the resignation of eight Ministers on Thursday.

BUSINESS

Equities fall 7.3; Gilts weaken

● **EQUITIES** weakened fearing possible repercussions from the abortive U.S. rescue bid. The FT 30-share index was down 7.3 to 427.5. But Golds strengthened with the bullion price, and the Gold Mines index was up 24.7 to 326.8. Page 30

● **GILTS** also fell on news of the crisis, with ultra-longs falling up to a point and shorts up to ¼. The Government Securities index was down 0.87 to 65.61. Page 30

● **STERLING** gained 1.05 cents to close at $2.2760, and its trade weighted index was 73.8 (73.5). Page 29

● **DOLLAR** eased, closing at DM 1.8160 (DM 1.8180) and its index was unchanged at 87.4. Page 29

● **GOLD** rose $28 in London to close at $550.5. Page 29

● **WALL STREET** was down 0.17 at 796.93 near the close.

● **WEST GERMANY** is expected to approve a DM 2.5bn (£610m) swap agreement between the Bundesbank and the Bank of Japan to help support the yen. Page 3

● **GOVERNMENT** is expected to ask the oil industry to pay about £100m for drilling rights in some of the best North Sea blocks to be offered in the coming round of offshore licences. Back Page

● **IPC**, the world's largest magazine publisher, dismissed 1,300 journalists after they took part in a one-day strike in support of a 32 per cent pay claim. Page 5

● **LAGGING** dispute similar to the one which stopped work at the Isle of Grain power station has hit Texaco-Gulf's £500m refinery project at Milford Haven, Wales. Back Page

COMPANIES

● **EMI**, the music to medical electronics group now absorbed by Thorn Electrical, incurred a loss of £7.63m in the six months to December compared with £8.19m profit last year. Page 24; Lex, Back Page.

● **KWIK SAVE**, the supermarket group, increased pre-tax profits from £5.23m to £6.15m in the last six months to March. Sales rose 26 per cent to £157.43m. Page 24; Lex, Back Page

● **CLIVE DISCOUNT** Holdings, the discount house, reported losses of £4.16m for the year, compared with profit of £1.42m last year. The final dividend is being omitted. Page 24; Lex, Back Page

● Sir Hugh Fraser has resigne dall his directorships with Scottish and Universal Investments, now part of the Lonrho group, without first informing Mr. Tiny Rowland, Lonrho chief executive. Back Page

PUBLISHER'S NOTICE

The Financial Times apologises for errors contained in this issue which are due to difficulties in the reading department.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Francis Inds.	57½	+ 5½
Johnson Matthey	255	+ 10
Revertex	35	+ 6
Tricentrol	326	+ 12
Allstate Exploration	63	+ 8
Buffels	£15⅞	+ 1⅛
Cons. Gold Fields	488	+ 14
De Beers Dfd.	400	+ 20
Hartebeest	£28	+ 2⅞
Impala Plat.	268	+ 11
Otter Exploration	73	+ 7
Pres. Steyn	£17¾	+ 1¼
RTZ	370	+ 13
West Drie.	£33⅞	+ 2¼
Western Deep	£16¼	+ 1⅛
FALLS		
Excheq. 10pc 1983	£86½	— ⅛
Treas. 15¼pc 1996	£102¼	— 1¼
BAT Inds.	223	— 7
Boots	180	— 5
Bowring (C. T.)	145	— 7
Clive Discount	38	— 10
Debenhams	68	— 4
Fodens	31	— 3
GEC	363	— 10
Grattan Warehouses	64	— 6
Hambros	375	— 11
ICI	354	— 8
Intnl. Thomson	365	— 22
Meyer (Mont. L.)	98	— 5
Nat. Carbonising	112	— 8
P. and O Dfd.	114	— 6
Perry (H.)	139	— 7
RCF	19	— 5
Racal Elec.	232	— 8
Status Discount	50	— 4
Sutcliffe Speakman	22	— 5½
Tube Invs.	240	— 6
Utd. Newspapers	371	— 9
Willis Faber	227	— 10
Shell Transport	332	— 6

Stunned reaction as Carter cancels marines' action

Hostages rescue mission fails

SHOCK and bewilderment spread across the Western world yesterday as implications were assessed of the abortive U.S. attempt to rescue the 53 American hostages held captive in Tehran.

President Carter called off the rescue mission when equipment failed at a rendezvous point for 90 commandos in a remote desert area of eastern Iran. Eight American soldiers later died when a transport aircraft and a helicopter collided as the rescue force was withdrawn.

In Tehran, where thousands of people poured on to the streets jubilantly celebrating the failure of the U.S. missoin, President Bani-Sadr and Mr. Sadeq Qotbzadeh, the Foreign Minister, condemned the rescue effort as "an act of war," and said the Gulf would be set ablaze in the event of another raid.

Ayatollah Khomeini said in a broadcast statement that Mr. Carter was "ready to commit any crime, even if that cost him killing all people."

Mr. Qotbzadeh was reported as urging the militant students holding the hostages to refrain from taking vengeance on their captives.

The Soviet news agency Tass quickly condemned the rescue attempt as a reckless action which bordered on madness. In Paris Mr. Andrei Gromyko, the Soviet Foreign Minister, said the action could not lead to a peaceful solution.

The U.S. refused to identify the land base of the six transport aircraft involved, but said eight helicopters were used from the carrier Nimitz in the "Iranian Sea."

Israeli radio monitors said the aircraft flew from Cairo West military airbase, and was refuelled at Bahrain. Doubt remained as to its exact course. Bahrain, where there were renewed religious disturbances yesterday, denied any complicity.

Greece said three U.S. medical evacuation aircraft carrying injured servicemen returned through Greek airspace to West Germany.

In Egypt, where the deposed Shah is living, President Sadat refused to deny that the U.S. had staged its operation from his country. He described the failure of the mission as "hard luck."

Syria said the U.S. flight was an "act of overt aggression."

America's European allies were apparently not consulted in advance, and there was some irritation that the action had been taken so soon after EEC Governments agreed to threaten sanctions against Iran in the hope of pre-empting or postponing the need for force.

Members of the NATO alliance meeting in Brussels nevertheless expressed "sympathy and support" for the U.S.

The Iran crisis, Pages 2, 3, 4, ● Features, Page 22 ● Editorial comment, Page 22

Carter faces storm of recrimination

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT JIMMY CARTER and grim-faced Administration officials met a storm of questions and recriminations at home and abroad yesterday after the dramatic failure of the airborne rescue bid for the U.S. hostages.

The attempt involved landing helicopters and C-130 transports in the dark on a desert landing strip 200 miles from Tehran.

The mission was called off by Mr. Carter because engine failures left too few helicopters to carry on the second stage of the plan, the flight to Tehran and to the occupied U.S. Embassy.

At 7 am Washington time Mr. Carter went on a world television hookup to explain the cancellation of the mission, for launching of which, he said, the responsibility was "fully my own."

He said: "It was my decision to attempt the operation. It was my decision to cancel it . . ."

The President said he ordered the mission "to safeguard American lives and protect America's national interests, and to reduce the tensions in the world . . ."

Mr. Carter warned that despite the failure of the mission "we continue to hold the Government of Iran responsible for the safety and early release of the hostages." He added that the U.S. remained determined to free the hostages.

Immediate reaction in the U.S. was very concerned, but mixed between relatives of the hostages, who criticised Mr. Carter for endangering those in the Tehran compound, and politicians who generally chose to support the President.

There is however a wide expectation that Mr. Carter's political standing, high from his victory in the primary elections, will suffer.

Allied action on economic sanctions was more urgent than ever, Mr. Jody Powell, the White House Press secretary, said yesterday. He denied that the Europeans and Japanese had

Continued on Back Page

'Jubilation' in Tehran

BY SIMON HENDERSON IN TEHRAN

IRAN REACTED first with disbelief, then contempt and finally jubilation at the news that the U.S. rescue bid had failed:

The U.S. action has "put in danger the lives of the hostages," Mr. Sadeq Qotbzadeh, the Iranian Foreign Minister, said, but he asked the student militants, who had previously threatened to execute the diplomats if any rescue mission were attempted, "to refrain from harsh actions."

As the news of the debacle spread through Tehran, initial incredulity was soon replaced by restrained jubilation. Confidence among Iranians about their ability to hold out against sanctions imposed or threatened by the U.S. and its allies is likely to be strengthened by the failure of the raid.

Ayatollah Khomeini said on Tehran radio that President Carter was "ready to kill all people" for the sake of re-election.

The Ayatollah said: "You have heard about the American military intervention, and you have heard Carter's pretexts and excuses. I have repeatedly said that Carter, for the sake of his re-election as President of the Republic, is ready to commit any crime, even if that cost him killing all people. The evidence for this has and continues to appear.

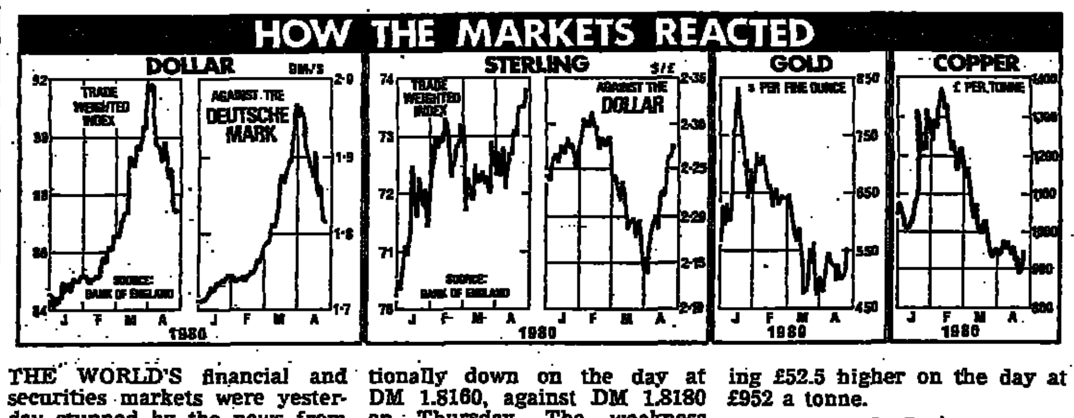
"Carter's mistake is that he believes that he is capable, by resorting to such silly maneouvres, to draw the Iranian people, who are always ready for all kinds of sacrifices to preserve their freedom and independence, away from Islam and from struggle.

"Carter still has not understood what kind of people he is facing and what school of thought he is playing with. Our people are the people of blood

Continued on Back Page

Stunning impact on business

BY OUR FINANCIAL AND FOREIGN STAFFS



THE WORLD'S financial and securities markets were yesterday stunned by the news from Iran. The dollar and security prices were initially marked down and the value of gold and other commodities rose. But trading was thin and price movements were generally small.

Foreign exchanges. The dollar was marked down immediately trading started yesterday. Business was light and dealing spreads were wide as market operators were reluctant to take up new positions. By the close the dollar had picked-up to close only fractionally down on the day at DM 1.8160, against DM 1.8180 on Thursday. The weakness boosted sterling by 1.05 cents to $2.2760 after a high of $2.2925.

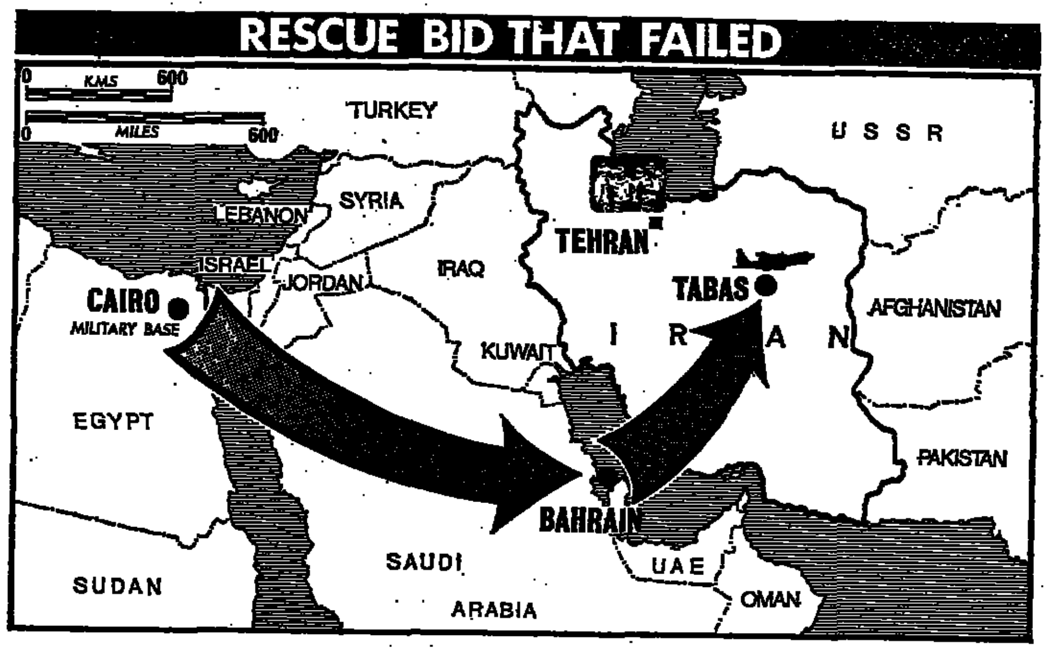
Gold. The price jumped $40 an ounce at one stage on the bullion market in response to frash demand and closure of speculative positions. Prices later fell from their peak over $560 to close up $28 an ounce at $550½.

Commodities. Prices of most commodities were initially marked up but later fell back in thin trading. Copper cash wirebars were typical, rising roughly £90 in the morning before closing £52.5 higher on the day at £952 a tonne.

● **The Wall Street market.** Stockqs recovered quickly from the initial shock and the Dow Jones index was 796.93 at 2 p.m. for a fall of only 0.17 points. Part of the reason for the market's resilience was that defence stocks rallied strongly.

U.S. bonds. This market too was only slightly affected

Eurodollar bonds. This market was the first to bear the brunt of the news of the U.S. failure and dealers marked down prices by 1½-2 per cent at the opening.



The map shows the route according to Israeli radio monitors

Brown explains what went wrong

BY IAN HARGREAVES IN WASHINGTON

A U.S. MILITARY task force yesterday left behind in the Iranian desert eight dead men and two burning aircraft following the decision by President Jimmy Carter to cancel a daring attempt to rescue the Tehran hostages.

As diplomatic efforts were proceeding to secure possession of the bodies, Mr. Harold Brown, U.S. Defence Secretary, was explaining the extraordinary circumstances which led up to the mission and its failure.

Mr. Brown said that detailed preparations for the operation started two weeks ago under pressure because of the increasing temperature and shortening nights in Iran.

Mr. Brown specifically contrasted the risks of the rescue bid and the dangers of a possible naval blockade of Iran's ports of the kind which U.S. officials have frequently suggested in conversation with Western allies in recent weeks. A militarily-enforced blockade would, he said, "internationalise the conflict or widen it and might not have the desired effect."

He left no doubt of the Administration's will to secure the return of the hostages, who have been held since November, and said that no option had been ruled out "including a further attempt or seize the captives."

Mr. Brown said the mission had been attempted because it offered the least risk to the Iranian people and the "least risk of instability in this troubled region."

Six C-130 transport aircraft and eight RH53 helicopters were prepared to carry a commando force of 90 men to a refuelling point 200 miles from Tehran.

Although Mr. Brown refused comment on stages of the operation plans beyond that point, including any information on how the task force would have secured the release of the hostages from the heavily-guarded embassy, he claimed the transportation task had been the most difficult.

The helicopters — large craft designed for mine-sweeping but converted for the mission—were expected to fly some 500 nautical miles, to a strip of desert which the U.S. had closely studied in advance of the mission.

Six helicopters were needed for the operation, but following "dummy-runs" over similar terrain in the U.S. it was decided to carry two spare helicopters to cover the mission against equipment failure.

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COUNTDOWN TO DISASTER FOR CARTER'S PLAN

The hostage rescue that failed

BY DAVID TONGE

IT WAS midday in Tehran and the middle of the night in America. The White House, in a statement which took the world by surprise, announced that an attempt to free the 53 American hostages in the Iranian capital had failed. In a "remote desert location," eight Americans had been killed when two of the aircraft involved in the operation collided.

What had been attempted was, by any standards, a desperate gamble. U.S. Air Force transport planes had been flown into the great salt desert east of Tehran, the Dasht-e Kavir.

They landed near Tabas, a town 320 miles south east of Tehran, from where a helicopter raid was to be launched on the Embassy. One suggestion is that Tabas, rather than a more remote corner of the desert, had been chosen because of some CIA facilities there, which had dated back to the time of the Shah. But the plan went disastrously wrong.

Three of the eight helicopters carrying crews and 90 assault troops had mechanical malfunctions.

The first helicopter malfunction caused its crew to land it in the desert. The crew was picked up by another helicopter. A second helicopter had trouble en route, reversed direction and returned to the aircraft carrier Nimitz, which was waiting in the Arabian Sea. The third helicopter had severe hydraulic problems on landing at the desert strip, putting it out of commission.

At that point the operation was called off, and the crews and other personnel involved in the operation were evacuated in a C-130 transport plane. They left behind one non-functioning helicopter, four operating helicopters and the burning wreckage of a C-130 transport and a helicopter, which had collided.

Iranian travellers making the journey from Yazd to Tabas suddenly found themselves caught up in landings of the fleet of C-130 aircraft and troop carrying helicopters. Their bus was stopped and they were held while the planes and helicopters landed. Some of the attacking force were Iranian according to the travellers.

The travellers said they managed to escape only when one of the aircraft exploded.

The Iranian army in the nearby town of Mashad said that five Cobra helicopters were found intact near the wreckage of what they believed to be the remains of two U.S. military aircraft.

Defence analysts believe that the Cobras may have been intended to accompany some heavier transport helicopters such as the Sikorsky S-61R, the so-called Jolly Green Giant. These could have been modified to increase their normal range of 450 miles. The Americans have often used the Sikorskys in conjunction with the C130 transport plane, bringing the Sikorsky in after the helicopter for refuelling purposes.

Each can carry a crew of two or three men and 30 passengers. A fleet of five Sikorskys would thus have sufficied to transport an attack force of 90 men and, later, the hostages as well. It would have taken about three hours to reach Tehran from the desert base. A further refuelling base may have been set up closer to Tehran for the return journey.

The Irania joint military command claimed that the crash occurred while the U.S. aircraft were fleeing Iranian military airerft. But this announcement was given little credability, particularly since ti came not long after the command had expressed total disbelief that the aborted raid had ever occurred.

One report from Tehran said that the night-time raid was launched from Pakistan. But Israeli monitors of Middle East air traffic communications insisted that the aircraft took off from Cairo West airport, flew to the Gulf island of Bahrain (1,100 miles across Saudi Arabia) and thence 600 miles to Tabas.

On January 7, the President told members of Congress that because of the logistics in Tehran "a strike force or military action that might be oriented toward the release of the hostages would almost certainly end in failure and almost certainly end in the death of the hostages."

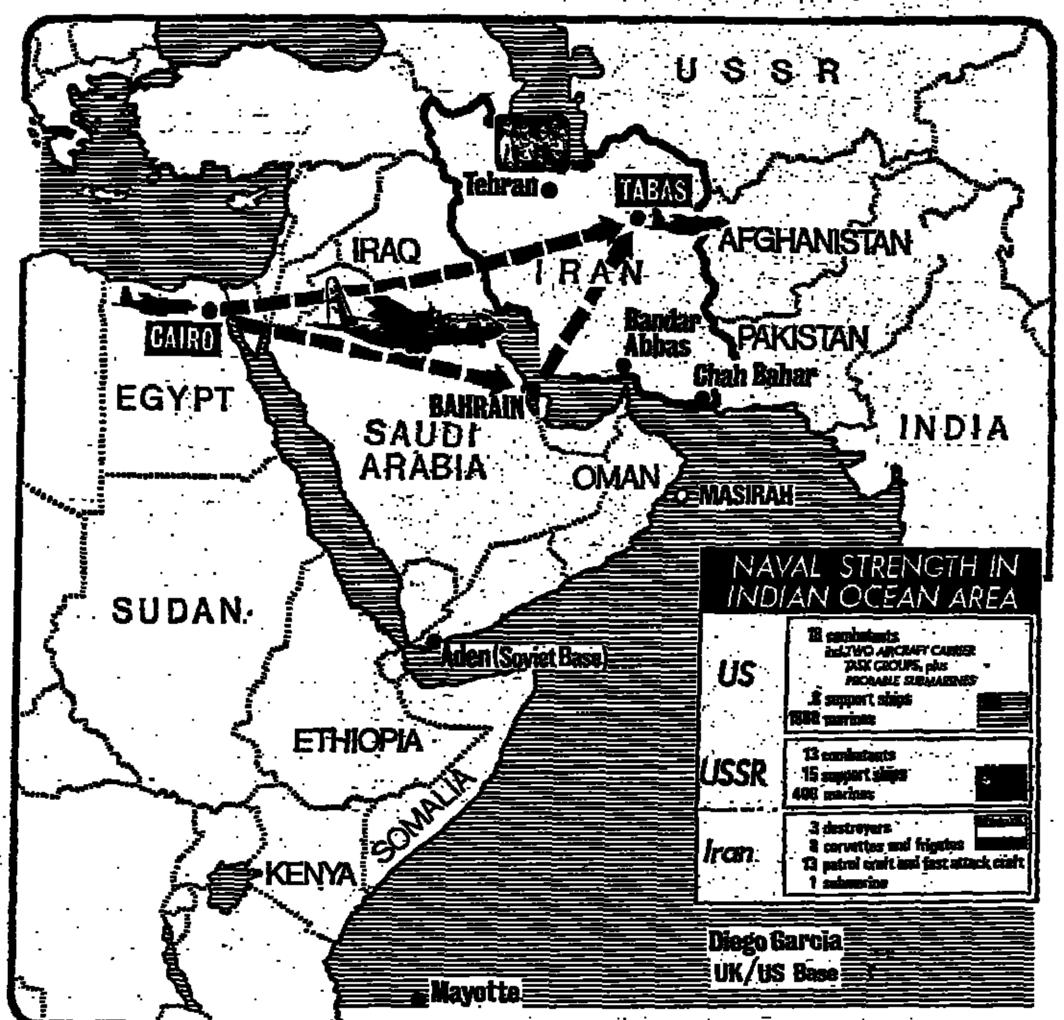
However, he appears to have hoped that the helicopters could land in the large grounds, or on the roofs of the embassy buildings. With the nights growing shorter, the pressure to act was increasing.

The assault troops see to have been drawn from a speical anti-terrorist force established in 1978, with its headquarter in Fort Bragg, North Carolina.

This force reports directly to the U.S. Joint Chiefs of Staff and is known as the Delta Team. Defence Department officials confirmed that this force, also known by the code name Blue Light, existed but could not confirm that it was involved in the rescue raid.

However, one Washington official insisted that the Fort Bragg unit had planned the operation before January, that it had a virtually unlimited budget and access to the most sophisticated weapons and debilitating, nausea-producing gases.

The Delta team was modelled on Israeli and West German anti-terrorist units.



U.S. failure a godsend for Soviets

BY DAVID SATTER IN MOSCOW

THE SOVIET UNION, which now stands to increase its influence in Iran, moved quickly yesterday to capitalise on the mission's failure.

The Soviet news agency TASS described the U.S. action as an "armed provocation" against Iran. It said it was launched in defiance of international law and could have created a "seat of war" in the Gulf, kiling thousands of innocent pepole.

Tass said President Carter was taking "one reckless action after another" and that the present "hegemonistic plans and aggressive policy of the U.S." wer not going to solve the hostage crisis. The plan balanced "on the brink of madness."

Mr. Andrei Gromyko, the Soviet Foreign Minister, told correspondent in Paris the Government condemned the American rescue action and was "resolutely" opposed to the use of force against Iran.

The crisis between Iran and the U.S. has been a godsend for the Soviet Union, the confrontation over the hostages has not only distracted attention from the invasion of Afghanistan, but has also raised the possibility that the Russians may end up establishing a preponderant influence in Iran as well.

Tass said the mission's failure showed the dangers of the present U.S. policy and of President Carter's attempt to reduce the Iranian crisis to the question of hostages.

The real issue, according to Tass, was the American attempt to make Iran "succumb to imperialist diktat" and the desire to strengthen the U.S. military and political presence in the Middle East.

"Had the hostages been the only point at issue, this problem could have long been solved on the basis of the proposals set forth by the leadership of the Islamic Republic of Iran," TASS said. The crisis was a result of America's desire to "openly threaten Iran with arms," and to "apply sanctions against it" because the system chosen by the Iranian people does not suit Mr. Carter."

The Iranian people had already experienced the "entire perfidy of American foreign policy" 25 years ago when the CIA overthrew "th lawful govrnment of Mossadegh and placed the bloody regime of the Shah in power."

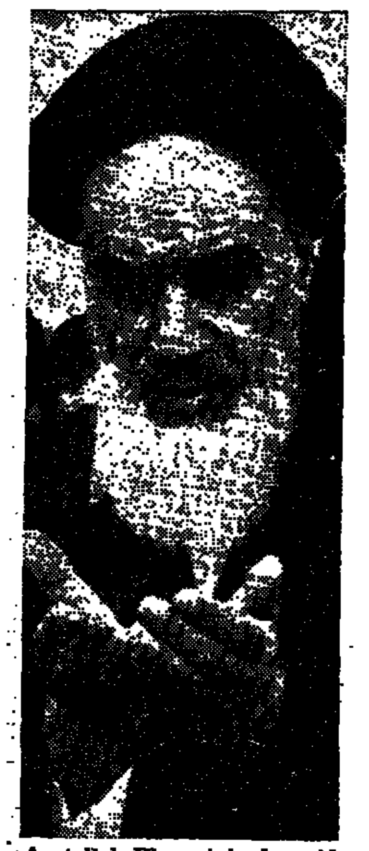
TASS also condemned the Western allies for supporting a U.S. policy of "blackmail, threats and economic pressure against Iran." It said this support gave President Carter "freedom of action for new ventures" and pushed the U.S. toward enlarging the scale of military intervention in the Middle East."

The failure to rescue the hostages and the possibility that the U.S. may soon be forced to take decisive military action can only move the Iranians closer to the Soviet Union, which has been increasingly vocal in its support of Iran.

Even if there is no further military action against Iran, the possibility of a military strike can only reinforce the emerging Iranian inclination to look to Eastern Europe as the future market for Iranian goods and to establish long-term economies ties which may be difficult to break even if the situation normalises

The situation may soon compare iwht Afghanistan before the 1978 Marxist coup. Iran may become tied economically to the Soviet Union and frequented by increasing numbers of Soviet advisers. The Iranian Tudeh (Communist) Party remains well-organised in the event of internal political strife.

The Soviet Press has been silent about the Tudeh party in recent months but Kommunist, the Soviet theoretical journal, recently published an article by the party's leader which was violently "anti-imperialist" and strong in support of the stand in the U.S.-Iranian crisis taken by the Ayatollah Khomeini.



Ayatollah Khomeini who said yesterday: "Carter is ready to kill all people" for the sake of his re-election.

French officials aggrieved

FRENCH OFFICIALS have not, so far, reacted publicly to the failure of the U.S. attempt to rescue the American hostages. But, in private, they have expressed considerable irritation and astonishment at the U.S. action, Robert Manturer writes from Paris. France had not been informed in advance, an official said.

French officials have been complaining for some time that the U.S. has not consulted its allies sufficiently on its policies over Afghanistan and Iran. High-level contacts have been frequent but the French say U.S. policy has be come highly unpredictable.

Officials are particularly aggrieved the U.S. took unilateral action so soon after the Nine EEC countries agreed on a two-stage sanctions plan in support of U.S. policy towards Iran.

Japan fears chaos in Middle East

Japanese officials were trying last night to determine whether the collision of the two American aircraft took place during a rescue operation" pure and simple," or whether it formed part of an American attempt to use force against Iran. If the latest, Japan is likely to bee deeply concerned, Charles Smith writes from Tokyo.

The main thrust of Japanese policy has been to try to prevent President Carter resorting to force.

Turkish link denied

Turkey did not have prior information of the abortive U.S. rescue attempt, and the aircraft which took part in the operation did not use Turkish airfields, Mr. Hayrettin Erkmen, Turkish Foreign Minister, said in Ankara yesterday, Metin Munir reports.

Mr. Erkmen's statement came after an hour-long meeting with party representatives. Such meetings are rare and indicate the importance the Turkish Government attaches to the event.

Syrian condemnation

Syria yesterday condemned the U.S. attempt to rescue the hostages, our Damascus correspondent reports. The denunciation come sas Damascus is preparing to receive Mr. Sadegh Qotbzadeh, Iran's Foreign Minister, today, on the start of an Arab tour.

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Bewilderment and irritation in W. Germany

BY ROGER BOYES IN BONN

THE ABORTIVE U.S. mission in Iran has caused both bewilderment and irritation in Bonn, which has repeatedly warned that military action could precipitate a war.

Chancellor Helmut Schmidt first heard of the U.S. action from news agency reports — hardly reassuring for a Government that sets great store by consultation between the U.S. and Europe.

Official confirmation came only two hours later, when the U.S. Embassy delivered to the Chancellry an authorised extract from the White House Press briefing.

The U.S. move has raised three fears in the minds of Bonn officials. The first is that action will now be taken against the U.S. hostages in Tehran, that rioting will intensify in Iran, and that the Soviet Union may be given a pretext to intervene. Bonn is expected to urge that talks be held with the Soviet leaders to discourage such a response.

The second concern is that international confidence in the U.S. Administration will be dealt an irreparable blow. German officials—remembering the pressure that drove the Germans to military action during the Mogadishu plane hijacking in October 1977 — have a measure of understanding for the reaction of the White House.

It has become clear that the poor state of consultation between the Allies has made joint action in almost any sphere extremely difficult. This has been a continuing problem. The Chancellor has complained, for example, that he was not told of the U.S. decision to boycott the Moscow Olympics until the day it was announced.

Finally, Germany fears that some of the more sceptical Allies, such as France, will become increasingly isolated and even more reluctant to take part in joint U.S.-European moves.

Bonn was one of the prime moving forces behind the European sanctions move earlier this week, persuading some of the other Allies that while economic sanctions might not have a great effect, it was imperative to show solidarity with the U.S. and to hold it back from military action.

Count Otto Lambsdorff, West Germany's Economic Minister, warned this week that aciton such as the mining of the Straits of Hormuz would have "catastrophic" effects.

Quite apart from anything else, it would most certainly alienate the moderate Arab States in the Gulf, some of which have promised to make up the shortfall in oil supplies if Iran stops deliveries to Europe.

The Germans are especially alarmed at the timing of the operation—only days after the European Community decision. This has roused the suspicion that the operation was planned long in advance and would have gone ahead whatever the Europeans decided. That, in turn, seems to make nonsense of the U.S. demanding European solidarity.

The Germans' main contribution at the moment would appear to be their line of communication with Moscow.

It emerged in an interview published in Germany today, that the only country to know of the U.S. action in advance was Iran.

Mr. Sadegh Tabatabai, State Secretary in the Iranian Premier's Office, told the Bild Zeitung that the Iranian military and intelligence services were aware of an impending "attack" on Thursday evening.

Thatcher full of praise for Carter's courage

BY PHILIP RAWSTORNE

MRS. THATCHER yesterday expressed her "greatest admiration" for President Jimmy Carter's courage in attempting to rescue the hostages and sympathised with him over its failure.

In a message to the White House, the Prime Minister said she had been 'much moved" by the President's television broadcast to the nation's.

Her message condoning the operation, together with the Government's public display of loyal support, convinced Labour leaders that she had been fully informed of the move in advance.

Sir Ian Gilmour, Lord Privy Seal, told the Commons the Government knew of the possibility of a rescue attempt but insisted they had not been consulted. "We were not involved," he said.

Mrs. Thatcher first heard of the rescue attempt in a BBC radio news flash at 7.20 am. She received the full text of a message from President Carter about the abortive operation at 9 am.

Although there was some apprehension among Government officials about the consequences of the U.S. move, the Prime Minister did not call any cabinet meetings to discus the affair. But the issues will be a major subject of discussion at the EEC summit in Luxembourg this weekend.

It seems likely that efforts will also be made to arrange an early meeting between Mrs. Thatcher, European leaders and President Carter. Lord Carrington, the Foreign Secretary, is due to visit Washington next week, and a summit could follow afterwards.

Government ministers offered no criticism of the U.S. atcion. Sir Ian told MPs: "This is a time for allies to stick togetherand not to criticise each other. I don not condemn the action."

In the Government's view, a clear distinction has to be drawn between the limited force engaged in the rescue attempt and any military action against Iran.

But Labour leaders and some Tory MPs took a more critical view of the operation. Mr. Peter Shore, Labour's Foreign Affairs spokesman, said: "The world will be holding its breath this week-end."

Doubts grow over U.S. willingness to act with Allies

BY GILES MERRTIT IN BRUSSELS

AMERICA'S NATO allies yesterday expressed "sympathy and support" for the U.S. in the aftermath of its failed rescue operation.

The Brussels-based organisation later made it clear that the incursion had been made without prior consultation. The U.S. action is expected to cast fresh doubts on the European allies' ability to give full backing to Washington in its handling of the Iranian crisis.

NATO's short and guarded statement was made at a restricted session of the North Atlantic Council, following the withdrawal of France and Greece, the non-military members. It was issued on behalf of the European allies by Herr Rolf Pauls, West Germany's ambassador to NATO.

More considered reaction by the allies is not expected until after the EEC Headsof Government have assessed the position at the Luxembourg summit on April 27-28. The most likely forum for the alliance to discuss a new attitude is the May 13-14 meeting here, when the Defence and Foreign Ministers of the NATO countries will meet.

Doubts over U.S. willingness to act in concert with the European allies have now been strengthened. These doubts spring from the realisation that when the U.S. insisted earlier this week on the special joint meeting of Foreign and Defence Ministers on May 14 to discuss common responses to Afghanistan, already knew that the rescue bid was imminent.

The European allies' rservations over the nature of hte NATO partnership are also understood to stem from a warning by the U.S. less than a fortnight ago that Europe must "take up the slack" for American troops that may be earmarked for Gulf and Indian Ocean area operations. This, in effect, involves the allies in U.S. military planning.

U.S. officials in Brussels emphasised that the alliance partners have been kept fully abreast of the military situation relating to the Iran and Afghanistan crises through the NATO military committee.

The latest surveillance reports to NATO have stated that the [illegible]on's fleet of 27 ships in the Indian Ocean have shown "no unusual activity, while Iranian naval forces contimue to be largely confined to the Gulf. aircraft carrier and escort of

It is also suggeste dthat the three destroyers reportedly heading into the Indian Ocean from Singapore "could be a rotation' that would not increase the size of the U.S. fleet there.

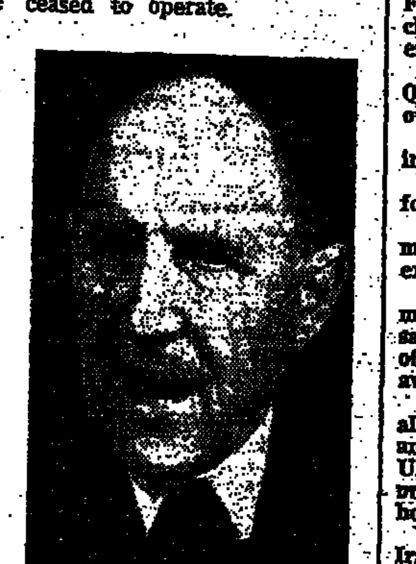
Hilary Barnes adds from Copenhagen: "It would take great optimism to say that the American operation has improved matters," Mr. Josef Luns, NATO Secretary-General, said here yesterday. "But I accept that the Americans tried to take appropriate action to put an end to an intolerable situation."

The NATO countries had so far shown solidarity with the U.S. and they would continue to do so, he added.

The situation did not, however, directly involve NATO and there were no plans to place NATO troops on alert.

Mr. Luns is in Denmark for two days of talks with the Danish Government. The Danish Foreign Ministry said the U.S. military action had created a new situation which the Government assumed would be discussed by the EEC Foreign Ministers at the weekend.

The Foreign Ministry also said that in keeping with Tuesday's decisions by the EEC Foreign Ministers, three diplomats were being withdrawn from the Embassy in Tehran,



NATO Secretary-General Josef Josef Luns: "t would take great optimism to say that the U.S. action has improved matters."

'Hard luck,' Sadat tells Carter

BY ROGER MATTHEWS IN CAIRO

THE ABORTIVE American attempt to free the hostages in Iran yesterday is another blow to Washington's credibility in the Arab and Islamic world and may also rebound on President Anwar Sadat if it is confirmed that Egypt provided facilities for the raid.

President Sadat refused yesterday to deny that the U.S. had staged the operation from Egypt. He repeated his pledge that Egyptian facilities were available if the U.S. wanted to come to the aid of any Arab state in the Gulf or to rescue the hostages in Iran. Speaking at his home village of Mit Abul Kom, Mr. Sadat said that the failure of the raid was "hard luck" and that it should not discourage the U.S. from trying again.

U.S. Air Force personnel have been stationed for some months at the Oena airbase north of Luxor in upper Egypt. Their main task has been to maintain facilities for U.S. AWACS long range planes, with their highly sophisticated radar and communications equipment. Military sources in Cairo said that it was feasible for U.S. C-130 transport aircraft to have carried both men and helicopters from Qena into central Iran.

Earlier this year, General Kamel Hassan Ali, Minister of Defence, revealed that Egyptian and U.S. military aircraft had taken part in joint exercises. Gen. Ali returned from a month's visit to the U.S. two days ago. Although the first part of his trip had been to receive medical treatment, Gen. Ali later attended an intensive series of meetings with senior U.S. officials.

Cairo military sources pointed out that the AWACS could have been employed to maintain communications with the assault group and the American carrier force in the Gulf, while also using its radar jamming equipment to confuse the Iranians.

If Saudi Arabia had given permission to use its airspace, it would have been a long flight but well withi the range of the C-130 transport planes. They could also have landed and taken off from Oena with little fear of detection.

Mr. Sadat has made no secret of his contempt for the Iranian revolution, and has bitterly attacked Ayatollah Khomeini, accusing him of distorting the image of Islam wit hhis "bloodthirsty vengeance." A month ago, Mr. Sadat was at Cairo airport to welcome the former Shah of Iran, who is now living in Egypt.

Even if it is shown that Egypt was not involved militarily in the attempt to rescue the hostages, Mr. Sadat is likely to come under further attack from the more radical Arab states because of his very close identification with the U.S. Egypt is already suffering a boycott by almost all Arab states due to the peace treaty with Israel.

But perhaps the worst consequences will be the further erosion of America's political weight in the region, which will reduce the already slim chances of the Egyptian-Israeli treaty becoming the cornerstone for a wider Middle East peace.

Egypt, Israel and the U.S. are due to begin 20 days of intensive negotiations on Palesinian autonomy next week in an effort to meet the May 26 deadline for agreement. While President Carter now, more than ever, needs a diplomatic success but his chances of persuading Israel to be more flexible in the negotiations appear to have dimmed yet again.

U.S. aircraft 'did not land in Bahrain'

BY MARY FRINGS IN BAHRAIN

GOVERNMENT officials in Bahrain yesterday denied any complicity in the American attempt to free their hostages in Tehran. They described Israeli radio reports of transport planes and helicopters refuelling in Bahrain as "ridiculous" and said that no aircraft had landed with American wounded on board.

Staff on duty at Bahrain airport said they had no knowledge of any U.S. aircraft of this type coming through

There have been outbreaks of trouble in Bahrain since Wednesday evening, following a broadcast from Tehran radio by Ayatollah Khomeini condemning the "murder" of a Shi'ite religious leader in Iraq. A large crowd near Diraz, a strong Shi'ite enclave, was dispersed by riot police, using CS gas on Thursday evening, and there was also trouble in the capital, Manama.

Yesterday there were more demonstrations and small fires. At one site in the Suq area of Manama, the streets were littered with canisters of gas and riot police barred some roads as firemen fought to control a fire in a number of tin-roofed wooden shacks. Bystanders said the fire was started because the police fired bombs—but it was not clear whether this was a retaliation against hostile demonstrators.

For the first time, there was evidence of some hostility towards foreigners, and two European women were ordered to leave the scene by the crowd

In another development, Decca Navigator Company in Abu Dhabi has sent telexes to shipping companies warning them that the Decca navigation system i nthe northern Gulf has ceased to operate.

How the crisis developed

KEY DEVELOPMENTS in the Iranian hostage crisis:

Nov. 4—Followers of Ayatollah Khomeini storm U.S. Embassy in Teheran, threaten to hold hostages until deposed Shah is sent back to Iran from the U.S. where he is being treated in hospital.

5—U.S. officials refuse to return the Shah.

6—Iranian Premier Mehdi Bazargan's Government resigns.

10—President Carter orders Iranians staying illegally in U.S. to be deported.

12—Mr. Carter halts U.S. imports of Iranian oil. Iran stops oil sales to U.S.

14—U.S. freezes Iran's assets in American banks.

18—Ayatollah Khomeini orders release of black and female hostages.

19—Three hostages released. Ayatollah warns others may be tried as spies.

20—U.S. raises possible use of military force.

28—Moderate Abol Hassan Bani-Sadr replaced as Iranian Foreign Minister by Sadeq Qotbzadeh.

Dec. 1—Captors say CIA agents at U.S. embassy will be tried.

3—Iranians back new constitution giving power to Ayatollah Khomeini and clergy.

7—President Carter rules out military action while hostages are held.

8—Mr. Qotbzadeh proposes independent commission to investigate past U.S. role in Iran.

12—State Department orders most Iranian diplomats to quit U.S.

15—Shah leaves U.S. for Panama.

29—U.S. agrees to delay sanctions against Iran while UN Secretary General makes bid for hostage release.

31—UN Security Council conditionally approves sanctions against Iran.

Jan. 13—Moscow vetoes Security Council sanctions U.S. says it will go ahead unilaterally, with allied support. U.S. officials say Gulf blockade under study.

23—President Carter warns Iran will pay severe price if hostages harmed.

27—Moderate Abol Hassan Bani-Sadr elected Iranian president.

Feb. 2—Ruling Iranian Revolutionary Council accepts proposed UN inquiry into Shah's rule.

7—U.S. shelves sanctions plan.

13—Mr. Bani-Sadr says Khomeini approved plan for hostage release, demanding U.S. self-criticism for support of Shah but omitting demand for Shah's return.

23—UN panel arrives in Tehran but Khomeini rules out hostage release before new parliament meets in April.

March 7—Tehran says Foreign Minister to take charge of hostages and U.S. embassy compound.

8—Captors defy Mr. Qotbzadeh and refuse handover.

11—UN panel leaves Iran in failure.

23—Shah leaves Panama for Egypt.

April 7—U.S. breaks diplomatic relations, embargoes exports to Iran.

17—Mr. Carter imposes more economic measures, says a blockade or other act of force "the only next step available."

22—Western European allies agree to full economic and diplomatic sanctions at U.S. urging if no decisive progress towards release of hostages by May 17.

24—Mr. Qotzbadeh says Iran will close entire Gulf if U.S. tries to blockade oil exports.

25—U.S. reports landing of special military force in Iran to rescue hostages but mission aborted. President Carter accepts responsibility for decision to attempt rescue.

OVERSEAS NEWS

Second Gaddafy critic shot dead in London

BY ANTHONY McDERMOTT

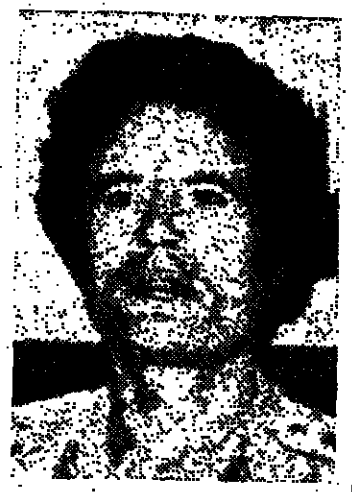
A LIBYAN lawyer, living in exile in London, was shot dead by two gunmen yesterday. Mr. Mahmoud Nafaa was the second exiled opponent of Col. Muammar Gaddafy, the Libyan leader, assassinated in London in recent weeks and his death seems yet more proof that Col. Gaddafy is systematically using assassination squads to eliminate opponents abroad.

Two gunmen were arrested on April 12 after killing Mr. Mohammed Ramadan, a Libyan journalist and critic of the Libyan regime, outside a London mosque.

Mr. Nafaa left Libya after Col. Gaddafy's coup in 1969 because he disagreed with Col. Gaddafy's policies. He established himself in London and set up a legal bureau which offered advice about Arab commercial law. He wrote several books on the subject.

A slight, mild-mannered man, he lived well but much more significant, he was always well-informed and accurate about the activities of groups opposed to Col. Gaddafy, both in Libya and Europe. He served as an indirect link with these numerous groups, whose publications used to reach journalists regularly through the post.

There had been hints by diplomats some months ago that a wave of assassinations of opponents of Col. Gaddafy's regime would be taking place in Europe, particularly in London.



Col. Gaddafy: facing increasing opposition.

These killings come, too, at a time when Col. Gaddafy is known to be facing increasing domestic unrest and opposition. Arrests in Libya, numbering possibly thousands, are reported to have been taking place in recent weeks.

The arrests have taken place under an "anti-corruption" drive which critics have accused Col. Gaddafy of using to mask a clamp on opposition.

Poland denies Soviet loan

By Christopher Bobinski in Warsaw

POLISH FINANCE officials have denied that the Soviet Union has made a $1bn hard currency loan to Poland to alleviate its balance-of-payments problems. Western bankers were told thi after the question of a Soviet loan was raised at last Thursday's meeting here, attended by representatives of over 30 Western banks. According to one report, the information about Poland's economy given to the bankers at the meetin showed that Poland owed $200m to Comecon as a whole.

The information showed Poland's debt repayment programme had slipped by two years over the past 12 months. It is indicative of the tougher line towards Poland which bankers now feel is warranted that some partticipants at the meeting went back to Bank Handlowy for a further unscheduled session yesterday, in an effort to gain further insight into Poland's present problem.

At Thursday's meeting Bank Handlowy, the Polish foreign trade bank, invited Western banks to participate in a Euroloan on the lines of t he $550m syndication Poland raised in March, 1979. The Poles are hoping to finalise the syndication within two months, and Mr. Marian Krzak, the Polish Deputy Finance Minister, is due to travel to the U.S. and Canada next month for talks with North American banks.

Bundesbank to make swop agreement with Japan

BY JONATHAN CARR IN HAMBURG

APPROVAL IS expected soon of a DM2.5bn (£605m) swap agreement between the Bundesbank and the Bank of Japan, according to West German monetary officials. The agreement is intended to give the Japanese authorities additional means to support the yen, and thus help to protect the country against imported inflation.

The officials said the agreement still required the Bundesbank Council's formal approval, which might be given as early as next week. The move had been made at the request of the Japanese, and the German side saw it as a helpful—if fairly modest—measure.

Details of the accord were revealed here in Hamburg, where the International Monetary Fund's interim committee is holding a meeting at which West Germany stressed that inflation (now 5.8 per cent at an annual rate) remained its main concern.

Herr Hans Matthoefer, the Finance Minister, told delegates West Germany's current account deficit would probably total more than DM 20bn this year, and might even be more than DM 25bn.

The latter figure is somewhat more pessimistic than official German forecasts to date. It partly reflects the unexpected strength of domestic demand—itself contributing to a higher German import bill.

Eanes warns Portugal military

BY JIMMY BURNS IN LISBON

IN HIS firs full public statement since the outbreak of deep differences with the centre-right government of Sr. Francisco sa Caneiro, Portuguese President Antonio Ramalho Eanes yesterday warned the country's armed to guard against attempts at political manipulation.

Speaking after a review of troops marking the sixth anniversary of the Portuguese revolution, President Eanes, who is also supreme military commander, stressed that the strengthening of Portuguese democracy would have not been possible without the "unity and discipline" of the Portuguese armed forces.

The speech appeared to be an implicit attack on the recent appointment by the governing alliance of General Antonio Soaers Carneiro, the president of the Association of Commandos, as their candidate for the Presidential elections later this year.

The choice has been severely criticised by the opposition parties, who see the latest alternative to President Eanes as a potentially divisive element within the armed forces.

Significantly, President Eanes's passionate defence yesterday of the positive aspects of the revolution was in striking contrast to General Soares Carneiro's manifesto earlier this week, which omitted all reference to the Left-wing military coup of six years ago.

New bid to triple world coal use

BY TERRY DODSWORTH IN PARIS

CONCRETE PROPOSALS aimed at tripling the use of coal in the Western industrialised world by the year 2000 should be produced by the Paris-based International Energy Agency before the end of this year.

This objective has been set by the agency's newly-formed Coal Industry Advisory Board (CIAB), which agreed yesterday that it would be technically feasible to double coal production in the West by 1990 and to triple it within the following decade.

The board empahsises, however, that many Western governments have so far taken no significant steps to tackle the "horrendous" problem of expanding their coal industries.

Mr. Nicholas Camicia, the newly-elected chairman of the CIAB, said yesterday that in order to reach the board's objective here would have to be a comprehensive worldwide effort to remove administrative constraints on the coal industry and to invest in new facilities.

Mr. Camicia, chairman of the Pittston Coal Group of the U.S., heads a unique committee for the IEA, made up of leading industrialists who have been brought together by the agency to advise Governments on how to expand coal production and trading.

The Board was convinced, he said, that irrespective of price increases, the West had no alternative but to develop its coal industry. Whereas comparatively little coal was now traded on an international scale, the Board estimated that some 700m tonnes would have to be moved around annually to reach the target of tripling coal use.

The Board has set up a number of working committees to examine, among other things, environmental problems and difficulties in expanding production and transport facilities. These committees will report in September.

Pujol elected Catalan leader

By Robert Graham in Madrid

SR. JORDI PUJOL, the leader of the conservative Catalan nationalist party, Convergencia y Unio, has been elected head of the Generalitat, the Catalan government.

At the same time, he has pledged to negotiate the transfer from Madrid of wide-ranging powers covering economic, fiscal and cultural matters.

His election, by 75 to 59 votes, came on a second vote, with the support of the leftist Republican Party, Izquierda Republicana, and the ruling Union de Centre Democratico of the Spanish Prime Minister, Sr. Adolfo Suarez.

The two parties had first voted against Sr. Pujol's candidature to underscore his dependence upon them for a working majority against the Socialist and Communist party opposition.

French court decides to reopen De Broglie inquiry

BY DAVID WHITE IN PARIS

A FRENCH court yesterday decided to re-open a legal inquiry into the 1976 murder of Prince Jean de Broglie, a former junior minister, five weeks after examining magistrates closed their three-year-long investigation.

The supplementary inquiry comes as a result of allegations by the weekly newspaper Le Canard Enchaine that the authorities knew beforehand about a plot to kill the prince. Both the prince's family and lawyers for the four men now awaiting trial for the murder had applied for the fresh investigation.

A move to bring M. Michel Poniatowshi, the Interior Minister at the time of the murder, before a parliamentary court now appears more likely to fizle out. The Gaullist Rassemblemene pour la Republique party last week swung a parliamentary committee vote for setting up an ad hoc committee to study possible grounds for his impeachment. But it has now indicated it will be satisfied with the legal inquiry.

M. Poniatowski is meanwhile preparing a defamation suit against the Socialist and Communist parties. He has recently come under fresh pressure after allegations that as minister, he had more frequent contacts with Prince Jean de Broglie than he had claimed. M. Poniatowski said recently he had come to the conclusion that Prince de Broglie had connections and business interests which were not compatible with responsibilities.

UK NEWS

£200m plan for a new London South Bank

BY MICHAEL CASSELL

PLANS FOR redeveloping a 25-acre stretch of London's South Bank between Tower Bridge and London Bridge are to be submitted to Southwark Council next Friday.

The proposals are being put forward by The Proprietors of Hay's Wharfg, which owns more than 20 acres of land between the two bridges and which has considered a large-lscale redevelopment programme for the area over many years.

The scheme, which would represent the largest ever undertaken in central London, would include the provision of 2m sq ft of new and refurbished office space. Related commercial, industrial and residential space would also be developed and the whole project could cost over £200m.

Plans drawn up for Hay's Wharf by Michael Twigg, Brown and Partners provide for further development of the company's existing business premises and "*for the preservation of buildings of merit*".

*In addition, the scheme en*visages the creation of a riverside walkway extending between the two bridges and ending in a public park next to Tower Bridge. *Of the 25 acres covered* by the planning applications, 21 acres are located in Tooley Street and four acres are at Chambers Wharf. *A further five* acres of land owned by Proprietors of Hay's Wharf in Tooley Street and more land at Chambers Wharf are not included *in the applications.*

Hay's Wharf was in the final *stages of assembling* its representations to Southwark when, in January, the English Property Corporation announced that it had purchaser 2¼ acres of land between London Bridge and Tower Bridge and was talk*ing to Hay's Wharf* about possible redevelopment of the whole area.

Apart from EPC, Southwark Council itself owns some of the land covered by the Hay's Wharf *application. Another part of the* site is owned by the City of London Corporation, although Hay's Wharf has a long lease.

Hay's Wharf is certain to be looking for a development partner who can provide the required funds and EPC could emerge as the eventual developer if the plans are given the go-ahead.

Major redevelopment of this section of the South Bank has been held up for more than a decade by planning and financial pressures. Several previous *agreements* with developers fell through and last June Hay's Wharf proceeded to draw up plans on its own.

*Several other major develop*ment schemes along other stretches of the South Bank have recently been hte subject of planning inquiries, the results of which are still awaited. If Southwark objects to teh Hay's Wharf proposals, the developers can expect to face another long planning inquiry.

● Capital and Counties Property announced yesterday that it is to develop a 50,000 sq ft office complex adjacent to Bain Dawes House to the west of Gardiners Corner in the City. Work will start in August and is scheduled to finish in 1982. The offices have not been prelet.

Insurance premiums on oil tankers to rise sharply

John Moore investigates the shipping world's reaction to this year's spate of tanker casualties

A SHARP rise in insurance *premius on oil tankers* and bulk oil carriers is planned by London underwriters, following a disastrous *run* of tanker casualties in the first four months of 1980.

At the same time, the International Chamber of Shipping, *which represents* two-thirds of world merchant ship tonnage, is to initiate an urgent study into the causes of tanker *casualties.*

The Joint Hull Committee, representing Lloyd's and London insurance company underwriters, said yesterday that from April 23 renewal rates for oil tankers and bulk carriers over *75,000 dwt were to be* increased by "a minimum of 0.1 per cent if the vessel is fitted with an inert gas system."

For a tanker with an insured *hull value of £10m this could* mean an additional premium of £10,000 per annum.

On other tankers, owners will have to pay an additional premium of 0.25 per cent of insured values, which on a £10m insured *hull could mean an* extra £25,000 on their premiums.

For many tanker owners the increases proposed may represent a rise of 20 per cent on their annual premiums.

London insurers are also attempting to establish a standard inert gas system warranty.

This requires all insured vessels to ensure that the inert gas system fitted is to be oper*ated at all times in accordance* with instructions issued by the manufacturers and all operations entered in a log book.

Mr. J. D. Russel-Taylor, chair*man of the Joint Hull Commit*tee, said that "we all think it is reasonable. We cannot stand the losses on these enormous tankers."

Mr. Harry Beazley, chairman of the International Chamber of Shipping, was angry at the insurers' decision to impose a *warranty. He said yesterday:* "We have been trying to encourage the underwriters to consult more closely with shipping industry and we can only regret that once again they have failed to do so in issuing this warranty. We fully support the *fitting and correct use of inert* gas systems, but the wording used in the warranty shows an incomplete understanding of the practicalities."

Bad debts problem is increasing

By Andrew Fisher

MORE AND more companies will suffer from bad debts and late payment of bills because of pressures which have caused a dramatic rise in business failures this year.

With exceptionally high interest rates putting all British industry in a cash-flow crisis, bankruptcies and liquidations were at their highest level since 1977, said Dun and Bradstreet, the commercial credit-reporting and debt-collection company.

Hardest hit were the construction, engineering and extile sectors. The sharp drop in consumer spending also affected the fashion and finished goods markets.

In the toy industry, for example, disastrous Christmas sales had wiped out cash reserves and left well-known companies like Dunbee-Combex-Marx and Molins *highly vulnerable, Dun and* Bradstreet said.

This year's January sales did not help retailers much and price cuts were extended into February and March, the company said. There were reports that some manufacturers were selling products at near cost price

In the first 13 weeks of *1980, Dun and Bradstreet* recorded 1,055 receiving orders in bankruptcy compared with 936 in the previous quarter.

THF to modernise property portfolio

BY ARTHUR SANDLES

*IN A SUBSTANTIAL face-lift*ing operation for the whole group, Trusthouse Forte is planning the sale of some of its older properties and a substantial *investment in new build*ing both in the UK and overseas.

The U.S. is a prime target for expansion.

Within the UK, *THF is to* spend £30-£40m a year on refurbishing and expansion over t henext three years.

According to Mr. Rocco *Forte*, deputy chief executive of THF, it is the company's intention "to rationalise our 200 different hotels in Britain and create some clearly defined *brands, still very much* under the overall umbrella of THF Hotels, but each designed to convey the precise 'promise' in terms of style, character and quality of service to the potential customer."

"We are carrying out a *rationalisation of our properties* and, as a result, some properties which cannot be raised to the standard of the market sector we wish to be in will be disposed of—not because they are unsuitable hotels in their own right—thus raising *capital for* further development in those areas."

The major development area in the *UK* is to be *Post Houses.* At the moment, there are 34 of these and "we feel there is scope for increasing the number quite considerably."

Building costs were a problem but the company feels it can still build Post Houses to show an acceptable rate *of* return.

*As far as the U.S. is con*cerned—where THF owns the large Travelodge chain which is similar in style to UK Post Houses—the company intends setting up a *chain of luxury* properties in city centres.

"We are opening our first such hotel in Dallas later this year and we are actively negotiating projects in Los Angeles, New Orleans, Philadelphia, Tulsa, Little Rock, Washington and Houston, and in five years time we aim to have a major presence in the U.S.," says Mr. Forte.

In Europe, THF was actively seeking hotels in major city centres and would be looking to acquire existing hotels which could be developed and improved on the lines of what had been done in the THF Paris properties.

*Mr. Forte told a London con*ference on hotel prospects, organised by consultants Horwarth and Horwarth in conjunction with Catering Times, that the UK hotel industry faced a difficult year to 18 months.

However, he said, "I *think* we will be looking to very favourable trading periods in the latter period of this decade."

Docklands opposition to 'zone plan'

By Robin Pauley

AN ENTERPRISE ZONE to encourage industrial and commercial development within a part of oLndon's dockland would be "the wrong solution," the Joint Docklands Action Group says.

The idea of experimental enterprise zones was announced by Sir Geoffrey Howe in his last Budget. They would cover up to 500 acres and benefits for developments would include *exemption from Development* Land Tax, 100 per cent de-rating, 100 per cent capital allowances and simplified planning procedures.

The docklands action group, a trade union and community-based pressure group, says that one of the four sites under consideration by the Government for an enterprise zone in London is the Isle of Dogs.

Mr. Nigel Broackes, chairman designate of the proposed urban development corporation for dockland, is very keen to see an enterprise zone within dockland, and Sir Horace Cutler, leader of the Greater London Council, has also welcomed the idea enthusiastically.

The action group says the idea is wrong for docklands because:

● *rundown of private* industry and lack of public investment are more important factors in inner city decline than restrictions on rates, taxes and planning;

● enterprise zones, together with the Employment and *Finance Bills, introduce new* privileges for employers and small businesses at the expense of workers and residents;

● the zones are a direct attack *on planning controls and public* participation in planning, and endager the public right to examie and object to all planning proposals;

● property owners and developers will be the main beneficiaries of the taxation *proposals;*

● rents may be higher in the zines as development proceeds and other developments may become less attractive, leading to unbalanced *development* patterns;

● firms relieved of the respon*sibility for training will be able* to poach trained labour from other firms who must train staff under Industrial Training Board schemes;

● *a zone in the Isle of Dogs* would be in potential conflict with the Docklands Strategic *Plan* for the development of the entire 8½ square miles area, which is broadly supported by the local community;

● the zones would compete against other sites for firms looking for premises in inner London. But, while shifting jobs about, they would not generate any new jobs.

The action group also says that availability of land and the available infrastructure are key factors in whether or not industrial development takes *place, rather* than taxation and planning restrictions.

BR 'ends motor troubles'

By Lynton McLain

PROBLEMS with the GEC motors used on some of British Rail's 125-mile-an-hour high-speed trains have been solved, GEC Traction, the makers of Trafford Park, said yesterday.

The problems occurred on the *rotating commutator part* of the motor designed to pick up electric current from the train's diesel generator.

GEC Traction said that the *problem was not* caused by a design fault. All the affected motors had performed perfectly in bench tests before installation in the trains.

The problems appeared only when the trains were operating the normal 125-mile-an-hour passenger service between London and Bristol.

The difficulties caused British Rail to change its summer timetable for Western Region. *The timetable was to* have started on May 12 with all services between London, Bristol, South Wales and the West Country by the high-speed train.

Instead of the total complement of 41 of the trains only 35 have bee delivered to the region so far.

The train was designed originally round electric motors made by Brush Electrical Machines, the Hawker Siddeley Group subsidiary of Loughborough.

● **FARE EXPERIMENT:** British Caledonian Airways is to introduce an experimental Stand-by fare of £20 single on the London-Edinburgh route from May 5. *This is £5.60* cheaper than the present second-class single rail fare, and compares with the present cheapest single air fare of £33 off-peak.

● **BEER INTAKE:** Britain produces more beer than any other country apart from the U.S. and West Germany. An *international survey of brew*ing and beer drinking published in Brewing Review says UK beer consumption rose by 29.2 per cent between 1968 and 1978.

● **MARKET DOWN:** The UK manufacturers' share of the domestic electrical appliance market was 7.1 per cent lower in January than the same period in 1979. The drop was *blamed* on increases in imports of refrigeration products, which account for 57.3 per cent of the total market.

● **SALE INSURANCE:** Following Lords' ruling on Thursday *that a house buyer* could recover damages for any loss suffered through his vendor's default, CTI-Dominion Title Insurance has launched a *test scheme* under which a house buyer could insure against the risk of the vendor failing to complete on time.......

Crown Agents judgment

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

JUDGMENT WAS reserved yesterday in the High Court action in which the Crown Agents claim that Mr. Sidney Davidson, former managing director of Sterling Industrial Securities, must repay a £250,000 loan.

The Agents alleged that the money reached Mr. Davidson as an unsecured loan as a *result of the improper* and unauthorised actions of the late Mr. Bernard Wheatley, former sterling money-market manager of the Crown Agents.

It was also alleged that Mr. Davidson must have known that the loan came from the Agents, and that Mr. Wheatley had been acting without the Agents' knowledge or consent and was in breach of his duty to them. *claim. He denied* having known the source of the loan, and said he had had no knowledge of anything improper having been done. He also contended that the loan had been *ratified by* the Crown Agents.

Rebels lay down markers for future

Elinor Goodman looks at the Government's internal opposition

MRS. THATCHER, a disciplinarian who attacks great importance to party loyalty, does not like rebellions. When the Government's majority has slipped below 43 she has made the whips feels as if they personally have failed to protect the Government in its hour of need.

The fact that the Government has never even approached a Commons defeat does not seem to alter her determination to see discipline upheld.

It is, therefore, ironic that the biggest Commons rebellion of this Parliament should have come this week not from the group of younger Leftish Tories, who she would regard as politically unsound. "But from backbenchers who would regard themselves as her political soul mates. The Prime Minister's office indicated that she would not be amused if any Conservatives tried to press their own amendments to the Employment Bill but the rebel's leaders certainly thought they were doing her a favour.

Like Labour's Tribune Group, the 60 or so Tories involved in the thre attacks on the Bill saw themselves as upholders of the party conscience. Like Tribune members under a Labour Government, their protest gesture was made knowing that the Government would not be defeated because there was no possibility of Opposition support.

Their purpose was to try to extract a firm promise from the Government that there would be legislation in the next session on the three subjects covered by their amendments—trade union immunities, secret ballots and the closed shop.

The rebels failed to win a repeat of the promise of a Green Paper on trade union immunities. But they did mark out the likely parameters of another bitter debate on union reform later this year.

The pressure the rebellion puts on ministers for tougher action is not irresistable. But if Mrs. Thatcher is looking for a stick with which to beat Mr. James Prior, Employment Secretary, this week's vote could be one.

The amendments were backed largely by right-wingers whose names can usually be found on anti-union motions, they also attract support from a few middle-of-the-road Conservatives.

Since the rebels' views probably reflect those held by Tory activists, the party conference could put similar pressures on the Government.

So far, public revolts have had only limited success and have been separated by long periods when the whips' main worry has been that MPs should not use the Government's majority as an excuse to disappear before the nightly vote.

Since these protests aim not to defeat the Government, but to persuade it to change its mind, these policy changes represent a victory.

But for the whips, the fear of a Government defeat is the biggest worry. They are more worried by the way some younger Tory MPs want a softer Government policy than by the occasional outbreak on the Right.

The whips have concentrated on reminding the Left how rebelions can harm promising careers.

The 30 or so Tory "Wets" have gained a reputation far beyond their strength.

But their emphasis on fairness rather than freedom and their belief in Disraeli's One Nation does represent well-established Tory school of thought — albeit one which seems to have lost rank and file support.

So far, the "wets" have not been in the business of defeating the Government. Two threatened rebellions ended with the organisers damply appealing to supporters not to overdo it in the division lobbies. They have tired to avoid open confrontation by extracting a promise from ministers, or a modification of Government policies.

The Opposition says these commitments have been frail excuses to get the "wets" off the hook of following their views to their logical conclusion and voting against the Government.

But mostly like the Right this week, the Left has been putting down markers for the future. The very markers put down by the two sides of the Party this week are an indication of where the tension may come if the going gets rough.

IPC dismisses 1,300 journalists in dispute

BY JOHN LLOYD

THE International Publishing Corporation (IPC), the world's largest magazine publisher, yesterday dismissed 1,300 journalists from its magazine and business press divisions, and from its Butterworth and Hamlyn book-publishing subsidiaries.

The company's action was taken following a one-day strike by the journalists on Monday, in support of their 32 per cent pay claim.

The National Union of Journalists attempted to obtain an ex parte injunction in the High Court, stopping the dismissals. However, the judge deferred the decision on an injunction until next Tuesday, when IPC is ot appear to argue its case.

The NUJ argued that the dismissal notices were illegal, because its members have been working normally. It has instructed its members to report for work on Monday.

Talks between the IPC management and the NUJ broke down at the end of Marchfi when the company refused to increase its pay offer beyond 17 per cent. The company initially had offered the journalists a 14 per cent pay rise.

At a mass meeting of the IPG group chapel (office branch) held early this month, members agreed to ban overtime working, to take all the time-off in lieu of payment which had accrued to individual members, to do no freelance work for IPC magazines, and to refuse to work with freelance writers employed to provide extra material.

It also empowered the chapel committee to call one-day stoppages, and to take further industrial action as it saw fit.

The strike by the journalists on Monday was the first action called by the chapel committee, and the NUJ claimed that it received total support.

Members of the Society of Lithographic Artists, Designers, Engravers and Proces Workers (SLADE) instructed its members, who work on magazine design, not to cross the NUJ picket lines.

Following the strike, IPC management told the union that its members would be dismissed unless it withdrew its sanctions against the company.

The chapel committee, meeting on Wednesday, decided against further stoppages, but continued its ban on overtime and freelance work. It argued that in doing so its members were not in breach of contract.

Mr. John Pearson, the father of the IPC group chapel, said last night that his members had been instructed to report for work as usual on Monday.

The editor of the group's magazines, which include the country's leading trade and women's publications, have also decided to attempt to produce their magazines normally.

Murray attacks action day critics

MR. LEN MURRAY, TUC general secvretary, hit out yesterday at critics of the TUC call for a "day of action" on May 14.

He said they showed that political hypocrisy was "one of the growth industries' in in Britain.

Speaking to the West Midlands Engineering Employer's Associaton, he said: "Not a whisper of criticism comes from them when the Government continues to destroy the Welfare State, raises inflation to 20 per cent, putting the survival of key industries at risk, and sees unemployment soar past 1¾m.

"British people have a basic democratic right to draw attention to grievances against those in authority. The day of action is not just a day of protest.

"It is a positive appeal for a change of course by the Government. It is driving home the point that there is a better way of running the economy—by co-operation.

NUR refuses to reconsider deal

BY PHILIP BASSETT, LABOUR STAFF

BRITISH RAIL'S pay difficulties worsened yesterday when the executive of the National Union of Railwaymen turned down a request from the other two rail unions to reconsider its rejection of a 20 per cent pay and productivity package.

The NUR, the largest rail union, yesterday tried to persuade leaders of the train drivers' union, ASLEF, and the white-collar Transport Salaried Staffs' Association, which have both already accepted the deal, to join it in pressing the BR Board to improve its offer.

Instead, the other two unions suggested that the NUR executive reconsider its 21—6 rejection. The NUR, however, reaffirmed its position and instructed Mr. Sid Weighell, NUR general secretary, to press its claim for a single-stage 20 per cent increase free from productivity commitments.

The board's offer would give 16 per cent from last Monday, with four per cent more from June 30, in return for firm pledges from the unions on major productivity improvements, particularly in the freight, parcels and administrative services.

BR will now meet all three unions on Monday in the Railway Staffs' National Council. It was not clear yesterday how much support, if any, the other two will give the NUR in their hubmission then, but the general secretaries will hold a separate meeting before talks begin with BR.

Union officials yesterday hoped for some conclusion on Monday, but thought the position was "very delicate."

While they would expect any improvement won by the NUR to be applied to their grades, both ASLEF and the TSSA are sticking to their acceptances of the deal and so seem to have closed hte door on further inter-union accommodation.

British Rail feels it has little room to improve its offer, so the pressure is likely to increase on the NUR executive to rescind its rejection.

Clearing bank staff reject 18% pay offer

BY NICK GARNETT, LABOUR STAFF

STAFF ASSOCIATIONS in three of the five English clearing banks yesterday rejected the banks' 18-21 per cent pay offer covering clerical staff and the minimum managerial rate.

Mr. Bob Carthy, general secretary of the National Westminster staff association said the association would be pursuing its original claim for rises of 20 to 30 per cent.

The Federation of Bank Employers has agreed to hold further talks next week with the staff associations and with the Banking, Insurance and Finance Union, which has also rejected the banks' offer.

Mr. Carthy said yesterday that the staff associations' unanimous rejection of the offer had been influenced by the pay parity settlement for messengers at NatWest. The clerical offer was also judged to be too low in relation to inflation and other wage settlements.

The banks' offer involves a basic 18 per cent increase for grades 1 to 4. A further 0.5 per cent, backdated to July for grade 2, 1 per cent for grade 3 and 2 per cent for grade 4. The minimum managerial salary would rise by 21 per cent.

The banks have also received a claim on behalf of technical staff, submitted by the joint staff council formed by BIFU and the Barclays staff association.

The claim seeks parity with messengers at National Westminster together with a further rise of 25 per cent. The Federation said the claim involved a 47 per cent increase on the messengers' basic rate.

The staff associations at National Westminster, Barclays and Lloyds have all now agreed to ballot their members on terms for a transfer of engagements to form a new joint staff body to be provisionally known as the Clearing Bank Union.

THE WEEK IN THE MARKETS

A fearful awakening

LONDON

ONLOOKER

A slepy week in the London markets came to a hectic and rather messy end yesterday following the American misadventure in Iran. At yesterday's opening the jobbers marked bothboth equities and gilt-edged dowe sharply, and neither had the strength to recover.

Gilt-edged had been pausing for breath after heavy sales of tap stocks—the 3 per cent 1984 issue was sold out on Monday morning—and equities, which had been relying on the advance of gilts for their own upward momentum, were already beginning to look soft in mid-week.

Yesterday's events effectively put the market back on its footing of early January, when political fears were the dominant consideration. Higher money rates in the euromarkets, turbulent foreign exchange conditions with heavy central bank support for the dollar, weak bonds and soaring precious metal prices are all depressingly familiar, and provide a poor background for equities. At least the weakness of gilts gave the Government Broker no excuse to spring a tap on the market yesterday afternoon.

Catalogue of woes

It could be just a temporary embarassment. Or it may be that the company is in a tailspin from which it will be very difficult to escape. The only thing that is certain is that in the last ten years Grattan Warehouses has fallen a very long way from its once pre-eminent position in the mail order sector.

Thursday's preliminary statement showed profits down from £11.3m to £4.4m, and the decline would have been nearly £2m greater but for a cosmetic accounting change. Borrowings in the year soared from £13m to £33m, compared with shareholders' funds of £53m. And Grattan's publicly stated willingness to talk about possible links with other companies has not produced a single worthwhile proposal. No wonder the shares were looking groggy yesterday.

According to Mr. Michael Pickard, Grattan's chairman, the company has a purely physical problem of updating its facilities. Long-established management took too long to respond to the computer age, and its succesors have to pay the price. Although financial and management pressures mean that the modernisation programme cannot now be completed as quickly as hoped, the group should be in a highly competitive trading position by the mid-1980s.

Predictably, perhaps, Grattan's rivals take a less sanguine line, and suggest that the group has more fundamental problems. Last year it made an expensive effort to increase market share—a policy which brought lots of sales but few profits, and is now being at least partly reversed. The spring/summer catalogue which was launched this winter had all its prices changed after it was printed—something that is practically unheard of in the mail order trade. McKinsey, the business consultancy, has moved in and changed the management structure which was introduced less than two years ago: long-established directors have resigned.

About the only thing that is unchanged is the dividend—and that would not have been covered but for the accounting change and tax credit. As it is, the final dividend will drain out another £2m of cash.

Pins and needles

It's no secret that life is difficult in the textile industry. But to look at the yields available on the major shares in the sector you might think that life was extinct. After maintaining its final dividend (the interim was raised by 10 per cent) Tootal is still yielding 18Z per cent.

This time last year, having reported virtually unchanged profits for the year to January 1979, Tootal was quietly confident about the outlook for 1979-80. But a number of things have gone badly wrong: and on Thursday the group reported a fall from £21.1m to £14.6m at the pre-tax level. Tootal has had trouble in America, where the market for its Philippine thread has been difficult, and its new U.S. retailing business had been over-optimistic about the strength of demand for John Travolta suits. In the UK, retailers were running down stocks in the all-important last quarter, and the printed fabric side has had a dreadful time.

Demand in the home market is still very weak, but Tootal is expecting an upturn later in the year when retail destocking is complete. It has also taken painful decisions, now that it is no longer feather-bedded by Temporary Employment Subsidy, and six UK mills have been closed: the cost benefits from these closures (which Tootal believes will be the last) should show through before too long. It has also withdrawn from consumer thread activities in America, and the retailing side there should turn round. And although interest charges are a heavy burden, Tootal got net borrowings down by £10m last year through the sale of Van Allan, which has left it with one problem less. The first half figure this year are not going to make pretty reading, but Tootal does look to be pointing in the right direction.

Hit and miss

The stock market is having trouble assessing a fair rating for the home improvement sector following some contrasting company results this week.

For some months now it had been feared that growth was starting to wane and support for this view came through in an announcement from MFI Furniture Group that it will now not be able to meet its profits forecast of £18m pre-tax for the year to May 31, 1980.

In contrast, however, B and Q (Retail), which specialises in D-I-Y products, managed to top its prospectus forecast and the company is reporting continued growth. In addition Spear and Jackson, which makes saws and handtools, disclosed a profits advance.

Some stock bokers argue that much of the confusion is due to the rather broad nature of the home improvement sector. They point out that MFI, in spite of producing flat-pack products, can probably be more accurately placed alongside other furniture companies.

They claim that the pure D-I-Y sector, which includes companies selling products such as wall coverings, tools, timber and the like is showing no signs of weakness—yet.

MFI's original forecast was made five months ago at the time of a placing of 33m family-held shares in the company. This week's revision, which suggests that profits will be about 7.5 per cent lower at £16.7m, is contained in the formal offer document related to MFI's agreed bid for Status Discount.

Mr. Arthur Southon, MFI's chairman, puts the blame on increased competition in the lower price ranges and says he regrets making the earlier forefast.

He describes the shortfall as a "hicough" and says that the change in earnings prospects do not affect the merger plans.

Point counterpoin

Grand Metropolitan is getting the expected rough ride in its takeover bid for Liggett, the U.S. tobacco and drinks group.

Even before the $415m bid got under way on April 18, Liggett started legal action in four states, alleging that Grand Met must comply with their securities laws as well as federal regulations. One judge, in North Carolina, ruled that federal law has precedence over conflicting state laws, but thre actions remain unsettled.

Then last Tuesday, Liggett announced it had signed a deal to sell its Austin Nichols drinks subsidiary to the French group, Pernod Ricard, for $97.5m. Austin Nichols is one of the most attractive Liggett divisions for Grand Met, which seeks a direct U.S. marketing presence for existing and future brands. Liggett rejected a Grand Met offer last July to buy it.

Another attracttion is Paddington Corporation, which distributes Grand Met's J&B Scotch, the leading U.S. brand. Grand Met has told Liggett that the J&B franchise will not be renewed when it expires in 1990.

Grand Met then threatened to take legal action to prevent the sale of Pernod. If the Pernod deal went through, Liggett shareholders might also be in a position to sue their directors for not giving them a chance to accept Grand Met's $50 a share offer.

Grand Met's bid expires on May 15 unless extended or waylaid by legal manoeuvrings.

Breaking up

Is a company worth less than the sum of its parts? The instinct of some holding company boards is that the market price of their shares unfairly discounts the asset values and earnings potential of individual components.

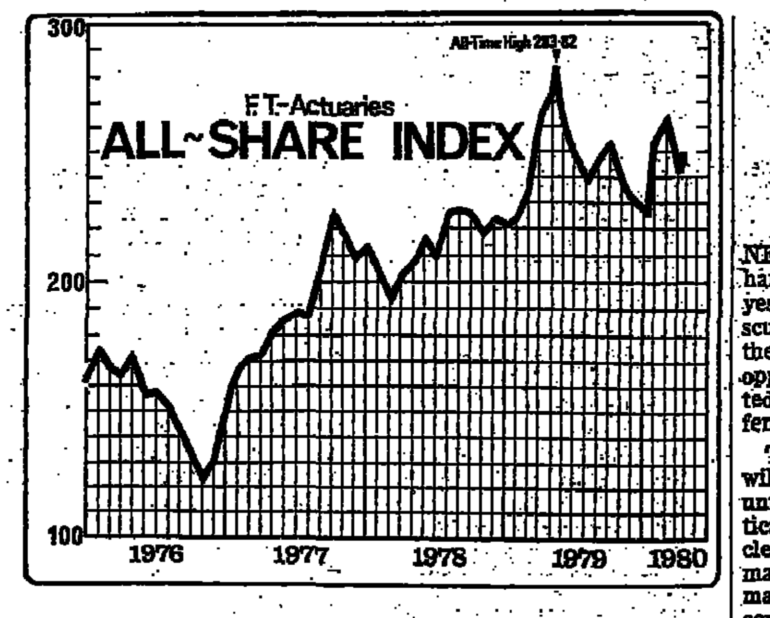
Those who have paid lip-service to demerging will have ample chance to put their words to the test when expected provisions in the finance bill remove some of the tax obstacles to such a move. But figures this month from the two companies devolved out of the former John Laing and Son construction group invite consideration of whether the market has in practice underestimated the worth of diversified groups.

Laing Properties, and construction company John Laing, were cloned in September 1978, the group "A" share price stood at 125p before announcement of the scheme in April. The market went along with the scheme up to a point, and pushed the shares over 200p by August of that year. The combined prce yesterday of the two emergent shares was 197p yesterday, with 153p accounted for by Laing Properties.

The pre-announcement price of 125p was roughly equal to the property assets of the group, discounted by what was then a 20 per cent sector average. With the property company shares still trading within a couple of points of the sector discount, demerger fans may count any price at all attached to the construction shares as a clear bonus.

But on the basis that the FT-A indices for construction and property have risen by an average of 45 per cent since April 1978, against a 58 per cent rise for the combined value of Laing shares, the benefit looks marginal, especially after demerging costs.

So there is no real evidence here that the market was pricing Laing inefficiently before the split. But the modest benefit to shareholders is no doubt a sharper spur to demerging when, like Laing, around half the shares are controlled by the board.



MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1980 High	1980 Low	
Ind. Ord. Index	427.5	−15.2	478.8	406.9	Middle East uncertainties
Govt. Secs.	65.61	−1.07	69.26	63.85	Lack of follow-through support
Assam Invs.	147	+21	148	95	150p offer from Inchcape
Boosey & Hawkes	118	+32	136	86	Bid hopes following poor results
BP	322	−20	412	320	Iran situation
Furness Withy	410	+54	410	236	Bid not going to Monop. Comm.
Grattan Warehouess	64	−20	110	62	Annual results
Haden Carrier	115	+10	117	97	Good annual results
Hill (Charles) of Bristol	48	−10	63	48	Trading loss and no final div.
House of Fraser	133	+6	146	104	Renewed bid hopes
LASMO	550	+42	550	337	Bid hopes
Linfood	134	−10	164	134	£11.5m rights issue
MFI Furniture	56	−22	89	56	Revised profits forecast
Mallinson-Denny	69	−8	77	44½	Profit-taking
Moss Bros.	252	+17	295	230	Speculative demand
News International	143	−12	176	133	Print dispute
Pearson (S.)	206	+8	216	190	Better-than-expected results
Shell Transport	332	−20	410	314	Iran situation
Status Discount	50	−20	72	46	In sympathy with MFI
Travis & Arnold	272	+28	277	219	Good results and scrip issue

Then came the hammer blow

NEW YORK

DAVID LASCELLES

NEWS of the failed Iranian hammer blow to the market yesterday, sending investors scuttling for protection, but at the same time opening up huge opportunities in military-related stocks, like copper and defence companies.

The full impact of the drama will probably not be played out until next week when the political repercussions have become clearer. But obviously, this marks a major turnaround for a market that was previously concerned almost exclusively with the U.S. economic prospects.

The week opened desultorily as investors were still trying to decide whether the imminent recession would help stocks by easing inflation or depress them my squeezing corporate profits. On Tuesday, though, they seemed to make up their minds that the drop in interest rates was the best news around, and the market put on a spectacular surge. The Dow rose inexorably all day and closed more than 30 points up, its fifth best performance ever.

But then it faltered. For the next two days the Dow settled into a narro wtrading range, until the Iranian blockbuster knocked things sideways.

Tuesday's surge was important for a number of reasons. Apart from reflecting the market's interpretation of the drop in inteest rates, it encouraged investors who catch the "technicals" to claim that the market had successfully tested its traditional "bottom" and was therefore poised to bounce back.

This "bottom" has held three or four times in the last two years a round 750 on the Dow, suggesting that a lot of people see this as the time to buy.

But the surge also owed something to the spectacular rise in oil company earnings in the first quarter.

In spite of warnings by analysts that these results would be less good because of the flattening out of oil prices since the beginning of the year, many companies have reported gains of 10 per cent or more. Particularly striking were the results from Texaco (up 101 per cent) and Exxon (up 102 per cent to a record $1.925bn.

These gains revived interest in energy stocks generally, spurring hopes that they may power the market forward again as they did last year.

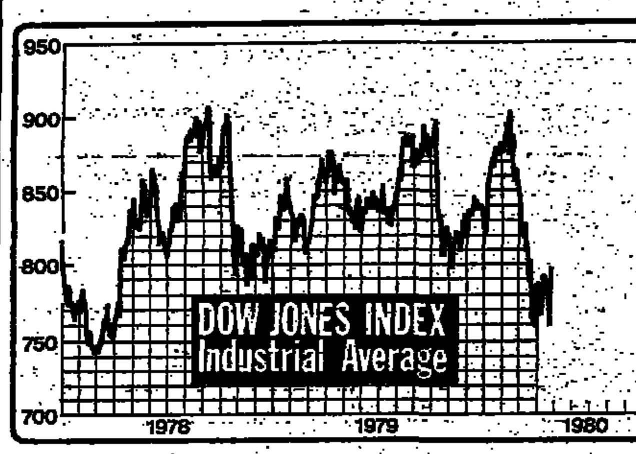
Other earnings trends show a decline in many manufacturing sectors, as well as banking. Airlines have been particularly hard hit by rising fuel prices and shrinking passenger lists. The carmakers are also having a dismal time: both GM and Ford shares have recently been trading close to historic lows. Chrysler's problems need no elaboration.

On th eupside, though, the strengthening in precious metals prices has helped many mining companies. Analysts have also been busy putting predictions for "counter-cyclical" stocks in industries which could do well in a recession.

In one of the few special situations around, Liggett group's stock fell more than a couple of dollars on news that the company had sold off its Austin Nichols subsidiary to Pernod of France, apparently frustrating Grand Met's $50 per share bid for Liggett.

The Iranian news was bullish for the metals companies yesterday. Amax, Dome Mines, Hecla, Sunshine, Kennecott, Phelps Dodge and Asarco were all up in early trading. So were defence companies General Dynamics, McDonnell Douglas and Lockheed. These gains went a long way to offset the bearish impact of Middle East tensions on the rest of the market.

Monday	759.13	−4.27
Tuesday	789.85	+30.72
Wednesday	789.25	−0.60
Thursday	797.10	+7.85



Forty five minutes of neat timing

THE NEWS yesterday of Yule Catto's £1.7m purchase of more than 4m Revertex shares took the market by surprise. But with hindsight, Yule Catto's timing could not have been better.

Yule Catto was able to snap up a 29.5 per cent stake in Revertex at 40p a share, only 5p higher than yesterday's closing price. The shares were acquired in the market in a raid which took only 45 minutes to complete. Immediately after the dealings were completed, brokers Rowe and Pitman flashed an announcement of Yule Catto's identity up on the Stock Exchange television screen.

Revertex announced its 1979 results on Monday and the figures had not been encouraging. Pre-tax earnings fell by £500,000 to £2m and the Board decided to pass the final dividend, a move which sent shivers down institutional shareholders' backs.

The Revertex figures represented the third consecutive year of decline in pre-tax income—and most of the problems stemmed from the UK side of the business. The company is a well-established maker of natural and synthetic rubber latex as well as other chemical compounds and emulsions. But losses at its acoustics division caused profit problems — the business was disposed of part way through the year.

Soaring interest charges and flat demand in the domestic carpet trade—a big customer for the textile division—also slashed Revertex profits. The company explained the dividend decision in terms of a desire for belt-tightening, but it is possible that this move could ultimately cost it its independence. At any rate, the move seems to have focused Yule Catta interest in acquiring a piece of the action.

According to Morgan Grenfell, Yule Catto's bank, the Revertex results were a major factor in the decision to move.

"When those figures came out and were not good and when we saw the dividend passed, we decided that our firm could be strengthened in future talks if we were to acquire almost 30 per cent quickly," a spokesman said.

Yule Catto wished to have "serious talks" with Revertex which would get under way next week, he added.

At Yule Catto, Mr. Annesley, the vice-chairman, said: "There is clearly a certain logic in this move. Revertex has a rubber latex factory our our estates in Johore and they take the bulk ofr our rubber there. It makes good sense."

In fact, the two companies' potentially complementary Malaysian operations are a significant reason for the Yule Catta purchase. Revertex has large interests in Malaysia which have produced a sizeable chunk of group earnings.

Mr. Keown suggested that there were several areas of interest beyond Malaysia which Yule Catto woul dlike to take up with Revertex. "We would like to expand our spread of activities and I see a number of possible areas for synergy," he said.

He mentioned as an example of diversification that Yule Catto recently stepped up its holding in a North Sea company Gas and Oil Acreage Limited (GOAL), to 20.6 per cent and that a seat on the board ahd been granted. GOAL holds a small interest in the Buchan Field and is another example of Yule Catto's desire to branch out.

It seems likely that when discussions begin next week, board representation and even a full scale bid will be prime subjects. But both companies were at pains yesterday to stress that they have been "friends" for several years.

Sir Campbell Adamson, chairman of Revertex and former director general of the CBI, said Lord Catto came to see him yesterday personally to announce the 29.5 per cent purchase.

"He was very courteous and told me that Yule Catto has a number of large investments in a number of companies," said Sir Campbell.

But back at the Stock Exchange, the memory of the raid on Consolidated Gold Fields a fe wmonths ago still lingered. Mr. Peter Wilmot-Sitwell, who handled the actual purchase for Rowe and Pitman, said that there was a strong desire to prevent further criticism of such dealings.

"We are all very aware of the criticism we could be liable to. Although we have five days by law to reveal the identity of the mystery bidder, we decided to advertise it immediately so that there could be no doubts."

He said that about half of the acquired shares came from institutional holders: in view of their disappointment at the passing of the Revertex final, this is not too surprising.

Revertex could earn more than £2.5m in the current year, so it is hardly on its last legs. If Yule Catto decides to take matters further, an interesting and potentially strong group unit could emerge.

Alan Friedman

Profit and illusion

MINING

PAUL CHEESERIGHT

THE EARNINGS look very good—at least at first sight. First quarter figures reported from major mining groups are all substantially higher than they were at this time last year. The financial recovery so clearly evident in 1979 seems to have continued.

Cominco, the Canadian group, had net profits of C$60.1m (£22.4m) in the first three months of the year against C$38.7m for the same period of last year. Newmont Mining, a U.S. group, pushed quarterly earnings to $82.09m (£36.2m) from $29.3m.

There is nothing special about these figures. They happen to be the latest and consolidate the trend of high earnings apparent in the industry for the last 12 months or so. But they are illusory to the extent that they ignore the effect of inflation on the replacement of assets.

"Existing cacounting conventions require the reporting of revenues in today's dollars but the reporting of expenditures for major segments of costs, such as inventories, plants and equipment, are in historic dollars and disregard totally the cost of replacement or new productive capacities," said Cominco in its annual report.

The group has worked out that if the effect of inflation on the replacement of its production facilities is taken into account—that is to say, if the group considered the cost of its facilities in replacement rather than historic terms—then net profits for 1979 would not be C$203.7m (£76m), as shown in the graph, but C$143m. Similarly, the return on assets would not be 24 per cent but 8 per cent.

That would still be a respectable return were it not for the factor that, as Cominco puts it, "during the past 10 years costs to replace productive capacity or to bring on stream new mines have more than quadrupled."

Mining groups have been drawing attention to this problemb for some years. It is a subject Sir Mark Turner, the chairman of Rio Tinto-Zinc, has tackled with a will at annual general meetings.

The significance of these higher costs was disguised by slack demand following the 1973-74 energy crisis. Mining profits were slim until late 1978, but the only people who suffered were the shareholders. Now, however, the difficulty needs to be seen in a wider context.

Looking at lead and zinc consumption specifically, Cominco has calculated that demand is likely to double in the next 20 years and that, by the end of the century, the world will need 70 ne wmines with a capacity like that of the group's own Polaris operation in the Arctic—annual production of 187,000 tons of zinc concentrates and 42,000 tons of lead concentrates.

Combinco noted, as others have done before the curtailment of exploration in the 1970s. This will lead to tight supplies in the 1980. A similar line has been taken by the Independent Commission on International Development Issues, led by Herr Willy Brandt.

"The consequenees of the current misallocation of today's mineral exploration effort will be delayed," the Commission said, looking at the time necessary to bring major deposits to production, but "such consequences will take the form of selective mineral shortages, price instability, severe inflationary influences and the failure of many developing countries to develop potential deposits."

All of this means that mining groups, to meet the pressure of new demand, will have a very sticky financing problem in coming years. "The cost of new mining projects is growing to such proportions that it is taxing the ability of corporations to finance them without jeopardising their financial integrity," Cominco complained.

That, in a nutshell, is why recent figures from mining groups are not as good as they look. Lond-term investors looking for an easy sleep at nights therefore need to direct their attention either to companies which have now propects coming on stream and modern equipment or to companies with products whoseprices have risen faster than inflation.

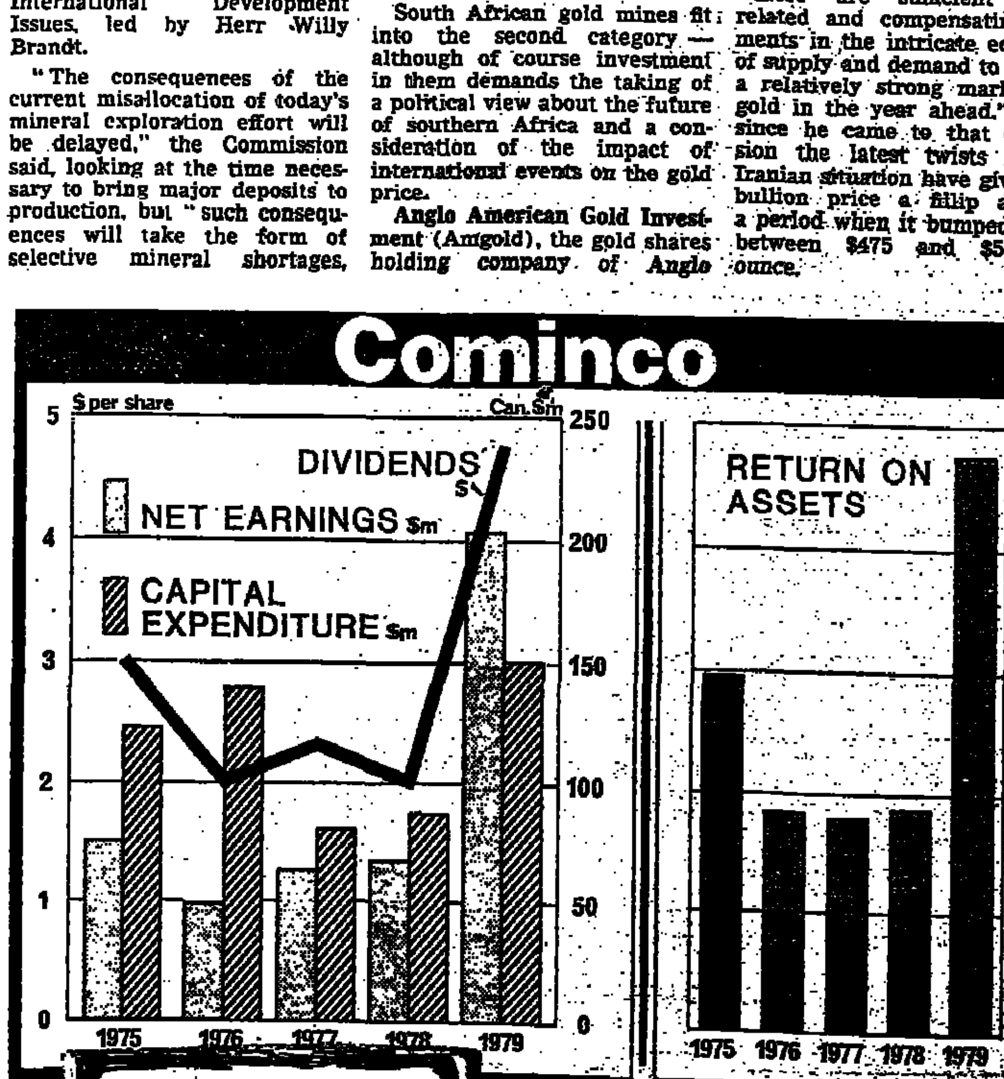
South African gold mines fit into the second category — although of course investment in them demands the taking of a political view about the future of southern Africa and a consideration of the impact of international events on the gold price.

Anglo American Gold Investment (Amgold), the gold shares holding company of Anglo American Corporation of South Africa, said this week that while gold mine working costs increased 20.4 per cent last year, working profit rose by 76 per cent and investment income rose by 80 per cent.

As the average gold price last year was $307.14 an ounce, and the London closing price this year has never been below $473, the chances of a further rise in income in 1980 are clearly very good. Net profits for 1979 were R130.57m (£71.6m) compared with R71.48m in 1978.

It is true the gold price was not able to sustain the heady level of over $800 touched in between $400 and $500, the South African industry is able to consider the development of low grade orebodies, which previously were uneconomic.

Mr. Julian Ogilvie Thompson, the chairman of Amgold, said in his annual statement that "there are sufficient inter-related and compensating elements in the intricate equation of supply and demand to ensure a relatively strong market for gold in the year ahead." And since he came to that conclusion the latest twists in the Iranian situation have given the bullion price a filip after a period when it bumped along between $475 and $540 an ounce.



Barre's conjuring trick

ASK ANY Paris banker why the French franc is still riding high among the world's currencies and the answer is given invariably in a word of one syllable: "*Barre.*"

M. Raymond Barre, the Prime Minister, has become so identified with France's strong money policy that the financial world fears an immediate flight from France if he leaves the Government.

During the past three years, M. Barre has acted on all fronts to kep the franc strong. He has stood firm against the temptation of an expansionary government programme. He has progressively tightened credit restrictions. He has preached austerity and practices it in a tough policy towards industry's lame ducks. He has kept a grip on wage increases and patrolled money supply growth with a zeal which would please Mrs. Thatcher.

Nevertheless, by conventional standards, the Barre virtuoso act is beginning to look a bit like a conjuring trick. France's trade balance has been ripped to tatters in the first months of this year by the escalation of oil prices. Because of this, the current account, on which France has run a comfortable surplus in recent years, is almost certain to go into deficit over the 12-month period by up to Fr 13m. Money supply growth has also shown signs of slippage, and price rises have drifted up to more than 13 per cent a year.

There are strong indications that the French authorities are a little anxious about the continued high rating of the franc. A modest downward adjustment might boost exports at a time when France needs every help it can get from overseas sales. It is already widely expected that th country's export performance will weaken in the second quarter.

But the authorities do not have enormous room to manoeuvre at the moment. For one reason, the franc is seen as a convenient haven for oil money, at least over the short term. According to bankers, Iranian funds have flowed into France recently because of the country's more neutral political stance after the American freeze on Iran's dollar assets.

At the same time, Arab investors have been attracted into the franc for similar reasons as part of their effort to diversify their deposits out of the dollar. The big state bond floated at the beginning of the year, for example, attracted a substantial amount of Gulf money.

A second factor is the weakness of the Deutschemark. Because of its poor short-term prospects, caught between high U.S. interest rates and Germany's increasing current account deficit, some investors have been moving out of the DM into the franc. This tendency has caused problems for the franc in the European monetary system, where the French currency has once this year come near to its "divergence indicator," the level at which the authorities would have been required to lower interest rates to reduce the franc's strength.

Because of this, the Banque de France intervened modestly in the exchange markets in recent months to offload francs—measures which have increased the bank's reserves by about $1.5bn equaveltn of European currency units.

The third limitation on the authorities is the need to maintain relatively high interest rates for domestic purpose. With prices rising fast because of the push from oil increases, the Government has been trying to dampen inflation through the classic combination of tightening bank credit and moving up interest rates. French rates are currently attractve to many international investors, despite the better "real" rates elsewhere.

These policies need a delicate balancing act. With day-to-day money rates at a little under 13 per cent, and bank base rates at 13.25 per cent, there is a danger that any upward adjustment could give an embarrassing extra strength to the franc. The authorities do not want that, either in terms of export markets, or the stability of the EMS. Hence the recently-announced draconian measures on bank lending, an area where the economic ministry can act on inflationary pressures without disturbing the exchanges.

Hence also, M. Barre's determination to grapple with inflation through tighter measures on non-productive Government spending, and further efforts to restrain incomes. These are leading, inevitably, to conflict with the unions. Whether M. Barre can survive these pressures, within about 12 months of a residential election, is a question no banker likes to answer. But they are almost unanimous that it is the key question on the future of the franc.

Terry Dodsworth

FINANCE AND THE FAMILY

Share sale before probate

BY OUR LEGAL STAFF

Sometimes the FT index is high at the time of the death of an investor in stocks and shares. Are the executors empowered to sell these before probate has been granted? Secondly, are executors allowed to hold on to these indefinitely in the hope that the market will improve?

The executors should not dispose of property which forms part of the estate without obtaining either a full grant of probate or a limited grant which would enable them to act for the required purpose. A rise in the market would not, of itself, normally suggest any such emergency action. Executors should not hold on to assets which are to be sold longer than is reasonably necessary to discharge their functions. Administration which takes more than a year ("the Executor's year") may require explanation if the estate is not complex and no fiscal problems arise.

A right to drainage

Referring to your reply under "A right to drainage" (January 1), I own a smallholding on which I am trying to obtain planning permission to build houses. The surface water from my land passes through a drain under the neighbouring land. I am able to establish a usage of more than 20 years for this, but there is no mention in my deeds of any rights regarding drainage. Shall I be able to use the existing system when the houses are built?

As there is no grant recorded in your deeds the right of drainage will have been acquired by prescription. Such a right is limited to use for the purposes for which the drains were used during the period of prescription. This would preclude a right to drain from *dwellinghouses* if there was none there before; but if one or some houses existed on the smallholding, the construction of others would not necessarily alter the character f the holding sufficiently to prevent their enjoying the right too.

Payments into court

In what circumstances are payments into court refundable? Do they carry interest?

A payment into court is made as a challenge to the claimant that he will not get more than the amount paid in. If he does not he must bear the cost of litigation after the date of payment in. The sum in Court does carry interest.

In pursuit of bondwashing

I refer to David Wainman's article "In pursuit of Bondwashers" (March 22). If a basic rate taxpayer could accumulate £1,000 of capital gains within a year (gilts bought and sold within one year) by using the bondwashing method, would this £1,000 fall within the exemption stated on tax return forms?

Yes, presumably your letter was written before you learnt of the Chancellor's announcement that the annual CGT threshold is to be raised from £1,000 to £3,000 (as reported in detail in the FT on Thursday, March 27).

Tax avoidance is a game beset with pitfalls, as Mr. Wainman's article indicated, so proceed with care and caution.

Inappropriate 'hope' value

With reference to your reply under "Inappropriate 'hope' value" (March 29), in January 1979, I inherited from my father our business premises, which inturn are let to our limited company at a nominal rent. The lease has a "break clause" for either party which could be applied, but not until 1985. The probate value was £19,000 and the District Valuer now wants a value of £49,000 due to the "break clause." Would you agree with his interpretation? Furthermore, very necessary structural repairs have been costed at approximately £12,000: could these be set against the valuers figure, or at least taken into consideration?

While the break clause undoubtedly increases the value of the premises very considerably, that should have been taken into account in the Probate valuation. The repairs should not come into the valuation at a figure, but the state of disrepair should be taken into account.

Refusal of credit

Could I ask you to report on the liability of a Credit Card Company which refuses to honour a transaction initiated in good faith in the mistaken belief that the chard holder was in arrears with monthly repayments? The circumstances of the case I have in mind are that the Credit Card Company had been applying the monies to it to the account of a different customer. Have cases of this kind ever been referred to the UK Courts?

We do not fully understand your question. If the company has wrongly credited a customer with payments made by another customer, the latter will have had his account incorrectly posted as well as the former; and both accounts ought to be rectified. Consequential errors ought also to be remedied, but the effect of refusing credit to a customer who had paid his account but was erroneously thought not to have done so could be very serious for the company, as there could be a claim in defamation. We are not aware of any reported case in this field.

Gain on sale of business

My wife and I are about to sell our two newsagent shops for a capital gain of £50,000 because we wish to retire. The purchaser will buy the shops, but not the limited company under which we trade. It is therefore our intention to immediately wind up the company from the date of sale. The company will make the capital gain—but the proceeds will be immediately split between my wife and myself. We are both over 65 years of age, and have owned the company and the shops for nearly 20 years—and consequently entitled to a tax free gain. But wil lthe company have to pay capital gains tax, which means we shall not enjoy our tax free gain?

The company will indeed be chargeable to corporation tax on the capital gains which it realises. However, by concession (under Inland Revenue statements of practice SP5/79 and SP6/79 of March 30, 1979) you and your wife will probably not be charged to capital gains tax on the sums subsequently distributed to you by the liquidator. Professional advice is essential, if you are to avoid the tax pitfalls set by section 124 of the Capital Gains Tax Act 1979, and no doubt you will be consulting the company's *accountants before proceeding.*

Gain on traded options

As a trustee I wrote three traded options last June and received £1,117 net of commission. In November I closed two of these options as a cost of £27 and the third one expired *without being exercised* against me. Would you please confirm that, a) the profit of £1,090 is a capital gain for tax purposes; (b) from an accounting viewpoint I should take the profit, less any capital gains tax payable, straight to the estate capital account for the benefit of the residuary *beneficiary and leave the* shares standing at their original cost?

The chargeable gain (which accrued upon the writing of the options last June) is £1,117, under sections 137(1) and 32(1) (c) of the Capital Gains Tax Act 1979. If that is the trust's only chargeable gain for 1979-80, the CGT liability will be either:

(a) if the trust was made before June 7, 1978:

50%	on	£617	= £308.50
Nil	on	£500	
		£1117	

or (b) if the trust was made after June 6, 1978:

30% on £1117 = £335.10

It is possible to argue that the sum of £27 can be added to the cost of the underlying shareholding under section 32(1)(b) of the CGT Act, as expenditure wholly and exclusively incurred by the trustees in preserving their title to the shares concerned; we cannot express an opinion as to the prospect of this argument being accepted when (if ever) it becomes relevant.

If the options had not been covered, the CGT liability would not have been any different, but there would have been no possibility of CGT relief in respect of the £27.

If all the options had been exercised, the sum of £1117 would have formed part of the proceeds of the sale of the shares, under section 137(2)(a) of the CGT Act. If only some of the option had been exercised, the position would have been more complex; we cannot comment further, on the bare facts given.

Better for the self employed

TAXATION

DAVID WAINMAN

THE RULES permitting the self-employed to make provision forr etirement have always been immensely complex. They have also, until now, been criticised as unconscionably restrictive.

The Chancellor's relaxations are most welcome. But at the risk of seeming churlish, I must say that neither the manner in which his proposals were announced, nor their content are totally beyond question.

As is so often the case, the provisions now published in the Finance Bill do not amount to new law, but consist only of changes in the existing section o ftax law. It is therefore important that we have a fair comprehension of what was in place before.

The starting point was that a payment made towards a "retirement annuity contract" was deductible from the income of the payer for the year in which he made the payment. There were two important exceptions to this general rule; but it remains principally true that the Rvenue looks to the date contributions are paid into pension funds, not the time they may have been due for payment, or the period through which the liability to pay had accrued.

For the self-employed, however, it was not the rule but the exceptions which caught the eye. Both are now to be abolished. Few tears need be shed for what is known as the "unrelieved premium relief," and its passing seems unlikely to cause any great difficulties.

The theory underlying it was that if a contribution in excess of the limits had been paid on which relief is allowed the excess would qualify for relief in the next fiscal year.

The final solution of all of these problems is to be achieved through the Finance Bill proposal that all "unrelieved premiums" currently being carried forward should be relieved against 1980/81 income—without there being any need to fit them within any limits applying for relief in that year.

The second of the exceptions in the existing rules relates to the opposite case of the individual who pays his contributions after the year for which he could have had relief. He is also allowed to bend the rule which would have given him relief only against income of the year of payment: within strictly defined limits, he can claim relief as if his payment had been in an earlier year, and it is then that year's income and tax which are reduced.

He must make a formal claim to relate back his payment in this way. He can do so only if he makes his contribution and his claim within six months of the date on which the assessment on his profits for that back year becomes final and binding.

With this exception also abolished, a taxpayer will still be able to get relief when he makes his payment after the year whose income permits that contribution—but the relief will under the new proposals reduce income and tax of the year of payment.

There are three major implications of this change. First, there are many taxpayers who have still time to make contributions for 1978-79, and the top rate at which relief could be given for that year was 83 per cent.

If these people failed to get their payments in before the rules changed, those payments could only qualify for relief at 1980-81 rates—the top rate now being only 60 per cent, and all other rates on the way to the top also being less.

It was for this reason that there was widespread consternation when the Chancellor originally announced that he was allowing only seven working days (from March 27 to April 5) for those who wished to claim their contributions under the relating-back rule, before its abolition. The Finance Bill has now postponed this change until April 5, 1981.

Second, when once this change has been made, all relief will always be given for the year in which payment is made. The man who pays seven years' contributions in one year will still get his relief—provided his income is sufficient—but he will only get it because of the new entitlement to carry forward 'unused relief" for up to six years.

The amount payable is still calculated as a percentage of each year's earnings, but the contribution when made reduces tax for the year of payment.

Calculating what can be paid, and paying it in the same year as that for which that relevant income becomes assessable calls for some expedition. But the third implication of this new basis of giving relief only on payment is that the actual reduction in tax bills must in future inevitably follow the payment, rather than coincide with it.

But all this sounds ungrateful. The delights in the proposals are that up to 17½ per cent of each year's earnings can be paid in contributions, and that the concurrent restriction has been removed, that £3,000 only could be paid each year.

Part of the total "pension" provision can be in the form of lump sums or annuities for widows and dependants, the latter now being freed from capital transfer tax penalties, although the contribution limit for this part remains at the of £1.00 0and 5 per cent of earnings.

Finally the earnings for which these percentages are relevant need no longer be reduced by personal charges such as mortgage interest or alimony. Business charges do of course reduce it, and it is perhaps not unreasonable therefore that stock relief has been added to the compulsory reduction of relevant earnings.

Cover in the sun

INSURANCE

JOHN PHILIP

SITTING in the Mediterranean sunshine an hour before the coach arrived to take me to the airport and the flight home I read, for the first time, the holiday package insurance "cover note" provided by my tour operator's chosen insurers.

I should have read it earlier. But I reckoned that I knew what was in it. I was wrong. Close to the foot of the third column of page one, in the section headed "How to make a claim" I read "you must retain your holiday booking confirmation form to produce in the event of a claim."

Now if this was a vital provision—if failure to produce the booking confirmation form would kill the potential then the words should not have been buried in standard size print deep in the cover note. They should be spelled out in bold capitals at the top of the document to put the traveller on guard.

Moreover, there should have been due warning similarly boldly printed on the booking confirmation form. So I found my booking confirmation form—but apart from noting that I had paid the holiday insurance premium it did not declare itself to be a relevant, indeed a fundamental insurance claim document.

In the top right hand corner were simply the word "client's copy (to be taken on holiday." In the light of the cover note clause maybe these words did just take on an additional significance—but there was no instruction that, having taken my copy on holiday, I should take it home again, lest some misfortune overtake me on my homeward journey.

Waiting at the airport for the inevitably unexplained late arrival of our aircraft I got out my "itinerary" to see what time it shoul dhave arrived.

Then I chanced on a clause headed "Confirmation of Bookings," which said "You are requested to take with you on holiday your confirmation of booking which shows whether or not you have taken the insurance cover offered by us . . ." Note the low key word "requested."

Incidentally, the so-called cover note, which by its length and content most probably contained the complete policy wording, bore a series number. Perhaps this number was primarily for some auditing check, but surely the tour operator's computer which held my booking details could have had recorded my cover note number as well: and if not, why not?

The insurers concerned were one of the big British composites, members of the British Insurance Association and subscribers to the statements of insurance practice agreed with government in 1977. Without doubt they would not rely on any technicality to defeat an otherwise valid claim from an insured traveller—even to attempt to do so would surely run them into all kinds of trouble.

But was compliance with the claim clause a technicality or a fundamental? In strict law, it is for the insurance claimant to prove that he has a policy, that the policy covers the misfortune that has occurred, and then the extent of the loss stemming from that misfortune.

So if the system set up by tour operator and isurers was so defective that insurers could have no record of particular travellers being insured, then the claims clause might be fundamental, since without the necessary evidence anyone might come along and claim to be covered.

But surely no system could be so defective? Sensibly there must be available some secondary evidence of what persons were insured—and if so, then compliance with the clause must only be a technicality.

EMI RESULTS FOR THE HALF YEAR TO 31st DECEMBER 1979

The EMI Board announces the Group's results for the half year to 31st December 1979, which are unaudited.

Features of the period were

(a) continued depressed world music markets;
(b) a trading loss in Thames Television Limited due to the 11 week ITV strike settled in October 1979;
(c) continuing trading losses in medical electronics, the accounts for which have been prepared on a going concern basis; and
(d) higher interest costs due to higher rates worldwide.

	31st December 1979 £'000	1978 Restated (see note 2 below) £'000
Sales	428,738	445,764
Profit before interest and taxation	7,085	26,092
Interest	(9,925)	(7,993)
Profit/(loss) before taxation	(2,840)	18,099
Taxation	(4,308)	(9,648)
	(7,148)	8,451
Minorities	(536)	(204)
Preference dividend	(69)	(69)
Profit/(loss) before extraordinary items attributable to ordinary stock holders	(7,753)	8,178
Extraordinary items net of taxation and minority interests	120	18
Profit/(loss) after extraordinary items	(7,633)	8,196
Basic earnings per ordinary stock unit (adjusted to take account of the capitalisation issue on 5th December 1979)	(2.3p)	2.4p
Fully diluted earnings per ordinary stock unit	—	2.2p

NOTES

(1) The taxation charge arises primarily on profits earned overseas.
(2) SSAP 14 requires that Thames Television Limited should be treated as an associate from 1st July 1979 rather than as a subsidiary. The comparative group figures for the six months to 31st December 1978 have been restated to reflect this treatment.
(3) The EMI group accounts will be drawn up as at 31st March 1980 to conform with the accounting date of THORN EMI Limited.

By Order of the Board
P. P. RICHBELL
Secretary

20 Manchester Square, London W1A 1ES
25th April 1980

INVESTORS CHRONICLE

PUBLISHER'S ANNOUNCEMENT

Production of the Investors Chronicle was still halted last night by the national printing industry dispute.

Further information will be given as soon as the industrial situation is clarified.

UNIT TRUST AND INSURANCE OFFERS

YOUR SAVINGS AND INVESTMENTS

Eric Short questions a new venture in selling term assurance to the public

The good life according to Lloyd's

LLOYD'S LIFE — the life company connected with Lloyd's of London — is nothing if not inventive when it comes to marketing lif eassurance. The company's latest venture is to sell term assurance to the public at large by means of coupon advertisements in newspapers.

Selling life assurance plans by means of coupon advertisements is not unknown these days, though the volume is small compared with the heyday of the early 1970s. Generally the advertisements describe the savings potential of various life insurance schemes, at the same time, of course, drawing attention to the particular company's unrivalled investment expertise.

The approach of Llyod's Life, which concentrates hard on selling life cover direct to the public is quite different. For its theme is that new policyholders do not have to undergo a medical examination.

Previously Lloyd's Life marketed a whole life non-profit contract for the over 50s granted automatically whatever the state of health of the individual.

Now the company is guaranteeing term assurance over 15 years through its Term Life Plan providing the individual signs a declaration of health. Again there is no medical examination to endure — an ordeal which inbibits many people from taking out life insurance.

The declaration of health consists of four statements. The applicant has to affirm that he is in good health and is not receiving medical attention. He also has to confirm that he had a medical investigation over the past five years, has not stayed off work through illness for more than seven days in the past five years and that any proposals with other life companies have been accepted at normal rates.

Al very simple and straightforward, but is it a good buy for the public. The table shows the maximum cover provided for various ages and the corresponding monthly premiums. It then shows the monthly premium for the same cover for normal term insurance over 15 years, the monthly premium charged by the Commercial Union, the best rates from a life company dealing with insurance brokers, and the overal lbest rates from London Life, a company that does not pay commission.

TERM ASSURANCE — COMPARISON OF PREMIUM RATES

	Lloyd's Life Term Life Plan over 15 years		Normal Convertible Term Assurance over 15 years for the same cover Monthly Premiums		
	Max. Cover	Monthly Premium	Lloyd's Life	Commercial Union	London Life
Age	£	£	£	£	£
25	41,700	11.30	9.54	4.34	3.38
30	32,400	11.30	9.37	4.24	3.04
35	33,500	18.50	14.14	7.37	5.34
40	31,520	29.30	21.42	11.09	9.08
45	24,600	36.50	27.33	15.27	12.80

The immediate conclusion is that Lloyd's Life premiums for term assurance are expensive, whether *you deal with the company* direct or through a broker.

Lloyd's Life, in general operates through insurance brokers and pays a commission for selling its products. But very little commission is involved in its new Term Life Plan so why does the company charge higher premiums? There aer two basic reasons.

First, the actuary has had to make more stringent mortality assumptions in his calculation of the premiums. Normal term assurance is issued after the usual medical questions have ben answered, the usual report from the proposers own doctor obtained and possibly after a medical examination.

This process tends to separate out the lives that are not in normal health. Under the Term Life Plan, however, people will be able to sign the haalth statement in good faith and get automatic cover, whereas they would not get through the screening process on normal term assurance.

Secondly, and possibly more important, the expenses of this marketing exercise are extremely heavy. The company is taking half-page advertisements in some newspapers. In the process Lloyd's Life is demonstrating that the cheapest method of selling life assurance is through brokers and other independent intermediaries. *Lloyd's Life would most likely* dispute the payment of a claim if from the circumstances it was obvious that the health declaration was falsely signed. But this would be a last resort by the company and there will be cases when it will pay a claim under this plan when it would have rejected a normal term assurance application.

These reasons do not explain why Lolyd's Life normal rates are double that of other life companies? After all, actuaries tend to use the same mortality tables. The answer is simply that Lloyd's Life pays very high rates of commission, way above the official scale of the Life Offices Association. This rate is £5 for each £1,000 of cover, whereas the maximum LOA commission for a 15 year term is 60 per cent of the first year's premium.

Thus for the cover for the 25 year old investor shown in the table, Lloyd's Life pays £208.50 commission — nearly double the year's premium—while the Commercial Union pays £31.25. Lloyd's Life justifies this difference by claiming that ti pays the broker for his efforts to sell term assurance. By contrast London Life does not pay commission at all on life policies and the benefits show immediately.

This difference in approach to commission is going to cause problems for registered insurance brokers under their new *code of conduct. This states* categorically that the broker must place the client's interests before his own, so it is difficult to see how he can recommend Lloyd's Life term assurance contract.

The present marketing exercise of Lloyd's Life is certainly bringing life assurance to the public, a good thing since as a nation we tend to be underinsured. The public, however, has to pay for this service.

Road to the Isles

OFFER DOCUMENTS are a bit like attics — things turn up when you least expect to find them. This week's document from MFI Furniture containing details of the group's agreed offer for Status Discount includes one such surprise.

This is the *description* of arrangements whereby the *principal* shareholders of Humber Kitchens, a major supplier of MFI and Status, sold their interests in March, 1978, to a Channel Island Trust and at the same time took out unit linked life insurance policies.

The *document* explains "that the benefits of these are dependent upon the results of Humber Kitchens," adding that "there is no agreement or understanding between the former shareholders and the current shareholders relating to the share capital of Humber Kitchens or to the exercise of any voting rights attached thereto."

The tax implications of the move are interesting. By transferring the company offshore, the shareholders were able to avoid UK income tax on any dividends paid by Humber or the apportionment of income not distributed under the prevailing rules for close companies.

Instead they effectively provided for their "stake" to build up in an exempt fund wrapped up in the protective clothing of a unit linked insurance contract. Those involved did emphasise, however, that the Channel Island Trust does own other assets so that the insurance policies are not wholly dependent on Humber.

Although not widely known, this sort of scheme is by no means foreign to tax experts in the City of London. From a tax point of view it would not, of course, be so advantageous today—one of the Chancellor's most significant Budget decisions was to scrap the apportionment rules for trading *close companies.*

Not the least of the Budget's attractions was its contribution towards making this kind of tortuous arrangement seem superfluous.

T.D.

Diary of a small investor

The second of two new articles by Mr. A. H. Carter, whose Diary of a Small Investor first appeared in seven issues of the Financial Times in 1977, describing how his initial investment of £3,000 during the fifties supplemented by £12,500 in the seventies, grew to £113,083 on 25-10.77. Previous instalments can be found in the FT on the Saturdays between February 12 and March 12, 1977, on Saturdays December 10 and 17, 1977.

LAST WEEK I asked whether, if you *think* a share is ripe for recovery, it nevertheless pays to defer purchase until it is 10 per cent off the bottom.

I selected the 14 companies included in the FTA All Share Index on January 5, 1979, whose prices had fallen by one-third or more from their peak in order to pick out the ones that subsequently achieved a 10 per cent improvement in their market rating, ie after adjusting the share price to offset movement in the Index. I wanted to see how far this was a portent of better things. Let's assume you bought them all at that time.

Each one would have been purchased by the end of July except P. Brotherhood, which did not manage a 10 per cent improvement over the market until November. In only three cases did it herald a substantial recovery; in a further four the *share price at March 14, 1980,* showed little change.

The remaining seven showed heavy *falls* by March *14, 1980,* including Dunbee-Combex-Marx, apparently a total loss, which would have been bought in June at 68. If that signal were ignored, bein gpartly caused by a falling Index, the company produced another in August with a 28 per cent price rise maintained for most of that month.

You would have done well, therefore, in three cases, and in a further four at least it could be said that the decline appeared to have been assisted. On the whole, you would have done rather worse than if you had bought the whole lot on January 5, 1979.

For 30 years I have always aimed to buy at the bottom. If recovery stocks *as a class* are under-valued, as I believe, then the proper insurance against *the inevitable losers* is a well-spread portfolio of such stocks.

My second safeguard is that my initial purchase is sufficiently modest to leave scope for buying more. If the share goes up, well and good—I rarely buy again. But if it goes down substantially I always ask myself to what extent the fall has jeopardised the prospects of long-term recovery.

The market will, for example, usually penalise heavily a dividend cut by a company in difficulties, even when profits are no worse than expected. If eventual recovery seems little less likely I usually buy as many more as I prudently can.

For as the price declines you are able to buy proportionately more shares for the same outlay, so that even with two equal outlays you are in pocket if and when the shares recover to halfway *between the two buying* prices.

I bought 5,000 Spillers at 35½ on November 8, 1977, I followed by eight further purchases in January and February, 1978, as the price fell steadily from 31½ to 28½, bringing by shareholding to 38,000. Ten thousand more were purchased at 26 (rock bottom) in April and May, 1978, following the withdrawal from breadmaking and the dividend cut. The final purchase was 2,000 at 32 in November, 1978. I now hold 8,333 Dalgety shares, following their takeover.

This is not, in my opinion, speculation, provided you are able and willing, as the late Harold Wincott advised, to "give your investments time to fructify." Most of my investments are held for years on end, confident that underlying market forces are on my side.

When risk and excitement go hand in hand

BONDS

TIM DICKSON

Worldwide fixed interest investments have largely been a bad bet in recent months. Experience in the U.S. and to a lesser extent in the UK has shown that Government or corporate bonds, far from being the dull but safe investment which the name suggests, can give holders sleepless nights and weak stuttering hearts.

Risk and excitement often go hand in hand, however, and several groups have recently launched funds to cash in both on investors' disillusion with the unexciting equity scene and their desire for currency diversification. Wall Street brokers Donaldson, Lufkin and Jenrette and UK discount house Allen Harvey and Ross have in the last few months set up vehicles primarily invested in the short end of the U.S. money market.

This week merchant bankers Guinness Mahon announced the offer for subscription in its new Guinness Mahon International Fund. Denominated in dollars, it has been designed to manage assets invested largely in deposits and fixed interest securities in a spread of different currencies.

As the managers rightly point out, "the volatility in the movement of exchange rates and fluctuations in the movement of interest rates have themselves become major investment factors."

The aim of the fund is to produce "as high an income as is compatible with its aim to protect asset values." In other words, the income, initially pitched at around 10 per cent, will have to be supplemented by capital growth.

One *unusual* feature of the fund is that it may also from time to time include an exposure to gold, possibly up to 20 per cent if the managers are really bullish.

At the moment Guinness Mahon only manages private portfolios so its investment record has not been tested in public. If it gets its management right, however, the rewards for subscribers could be considerable — on top of the income they stand to gain from movements in currency and capital appreciation from falling interest rates.

These two, of course, do not always go hand in hand, so to mitigate the effects of falling currencies in markets where the managers are attracted by good investment prospects, the fund will occasionally use the forward facilities of the foreign exchanges.

Given the reasonably high level of income, the fund is not so attractive for high UK taxpayers. Others who are tempted should remember that currencies and bond markets move alarmingly rapidly these days and they must not therefore forget the risk factor in their calculations.

The fund is based in Guernsey and is therefore more attractive for tax reasons than the three authorised unit trusts set up to invest in world bond markets. These have to pay corporation tax *on their income.*

The new Guinness Mahon offer, which closes on May 23, is for up to 9.9m participating redeemable preference shares of one cent each at $20 per share. Minimum subscription is $2,000.

Marketing up-market

BANK Julius Baer, one of the largest of Switzerland's private banks, is entering the UK portfolio management market. It is looking for private investors with at least £100,000 to invest and is also hoping to attract some pension fund money as well.

The new service, described as the Baer International Investment Service, is being marketed through Bank Julius Baer International, the UK subsidiary of the Zurich-based bank.

This subsidiary was recently accorded the top status of "recognised bank" by the Bank of England.

The service is specifically aimed at UK investors who were severely restricted in investing abroad until the abolition of exchange controls in October last year.

The service will be marketed by the same management which has been solely concerned with commercial credit business at Julius Baer's London subsidiary until now.

Investors who buy the service will have the option of having their funds managed from London or Zurich, and they will also have access to the full range of Julius Baer's other services—including numbered bank *accounts, of course.*

Julius Baer really wants to get money for discretionary management. But it seems clear that its expertise lies in the area of currency risk management rather than in research of the quality produced by analysts with London or New York broking firms.

For example, the "research" material produced by Julius Baer in Zurich on the major Swiss companies simply lists published earnings figures for names like Hoffmann-La Roche, Sulzer and Ciba-Geigy. Some of these figures do not permit accurate comparisons: others are simply useless. Julius Baer accepts this but says it cannot possibly risk upsetting the Swiss companies by giving estimates of true historic earnings on some sensible accounting basis. Customers, however, may be *informed privately.*

MICHAEL LAFFERTY

In the doldrums

UNIT TRUST groups are again in the doldrums, only a few weeks after the Budget changes which helped revive managers' flagging morale.

Figures this week showed that the movement in March had its worst business month in recorded history, with units cashed in exceeding sales by a record £8m.

There are, of course, plenty of mitigating circumstances which explain last month's disappointing performance — the final fling of high income bonds, the obvious appeal of other high interest rate offers like the National Savings Certificates 19th issue, and a virtually lifeless stock market background.

It can further be argued that a few million units cashed in are a drop in the ocean of £4bn of unit trust assets.

All these are valid points but there is no escaping that until last year sales of unit trusts, bear markets notwithstanding, have been on a consistently rising trend. Moreover, even the recent poor figures are propped up by a steady inflow from unit linked life insurance policies, though there is some evidence in the last couple of months to show that managed funds investing through unit funds are switching significant amounts into gilts and therefore out of unit trusts.

Another worrying feature of the March results was the comparatively low level of new sales —£26m, against £34.6m in February and £57.5m in March a year ago. Net sales of unit trusts have been sluggish lately largely because of the high level of repurchases (units cashed in).

Thanks to the Finance Bill unit trust groups will soon be able to launch tax efficient gilt edged funds—and that is bound to put a bit of spice back into business. The days of easy marketing, however, have long since gone and the Chancellor's gifthorse plus a rising market (if it ever comes) will not be sufficient on their own to restore the movement's fortunes. Investment performance will be the key to recovery.

T.D.

FINANCIAL TIMES SURVEY

Saturday April 26 1980

Personal Financial Planning

Allotment of savings to the best purpose involves decisions which change as the years go by and are complicated by taxation and other financial considerations. This survey ranges over the span encompassed by the young married couple and family to the age of retirement—and the legacies beyond that time

Cohorts of eager advisers

BY TIM DICKSON

SERVICES GALORE have sprung up in Britain over the last 10 years. But few have flourished quite so spectacularly as the array of companies and individuals describing themselves loosely as financial planning advisers. Everyone, it seems, who knows the difference betwen a penny and a pound is eager to guide you through the maze of possible investment strategies and savings products —*taking their cut of course in* the process.

Banks, for instance, have built up their trust departments to back up their branch managers; insurance brokers have developed financial planning subsidiaries which will tell you much more than simply whic hlife policy to consider; stockbrokers these days are no longer equipped just to offer their best share recommendations; and a host of more or less sophisticated specialist investment advisers are ready at *give you their view* of anything from a unit trust to a malt whisky. It is a far cry from the days of a friendly chat with your accountant or *solicitor*.

Given the luxury of this choice, you would expect the individual looking for sound financial advice to be well placed. Ironically, however, *this* is not the case: Savers and investors have probably never been quite so confused as they are today, though this uncertainty is by no means primarily the responsibility of financial planners. True, some are indeed unqualified and incapable of giving sensible advice, making it difficult for clients to *sort the good from* the bad. Again, there are numerous vested interests and professional prejudices which get in the way of impartial judgments — insurance brokers, for example, are rewarded by commission from insurance companies, while stockbrokers make their bread and butter by selling stocks and shares.

Perhaps the most important cause of all the uncertainty, however, is the change which has taken place in the investment climate over the past 10 years. Investors' preconceptions at the end of the 1960s have been gradually cast out the window. Ten years ago, for example, blue chip equities were *considered a sound investment* which would outpace inflation over the long term—the bear markets of 1973-74 rudely shattered this article of faith. Ten years ago Government stock was also considered solid and respectable — uncontrolled public spending has put paid to that notion as anyone who was fully invested in gilts last year will sadly tell you. The result of all this disillusionment, of course, has been the steady defection of the privat einvestor from stock markets in recent years. But, *by many accounts, he is not sure where to put his money instead.*
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On top of these setbacks — made all the more traumatic by *the presence o fhigh inflation*— complex tax legislation has further dampened the enthusiasm of investors, turning financial planning at times into little more than an elaborate tax avoidance game. More than anything else perhaps, the UK's tax laws have been responsible for spawning thegrowth of the country's vast financial planning "*industry*."

Tax considerations mean that portfolios have to be specially tailored to individual requirements, a development which in *the analagy of Mr. Dick Eats*, of Chieftain Fund Managers, has divided the savings market broadly into wholesalers and retailers. "Unit trust groups, life companies, and the like are the wholesalers; insurance brokers and other financial advisers are the retailers," explain's Mr. Eats.

"After finding out the individual's tax position, his risk-reward requirements and income or capital growth needs, the retailer these days simply chooses the appropriate product from his shelf."

There are marked signs that the Government is attempting to remove some of the many tax hurdles in the way of straightforward investment. Not only has the top rate of tax on investment income been slashed from 98 per cent to 75 per cent; a new broom seems to be sweeping through the corridors of the Inland Revenue in a drive on simplicity.

Take, for example, some of the changes in the recent Budget. The messy system of taxing unit trusts' capital gains—the fund paid 10 per cent which was passed on in the form of a credit to unitholders—has been abolished and the liability for Capital Gains Tax (CGT) transferred entirely on to the *shoulders of the individual* investor. CGT itself is now levied on gains above £3,000 at a flat rate of 30 per cent—cruder and arguably more arbitrary but easier to understand and administratively less cumbersome than the previous arrangements. The removal of the short-lived 25 per cent income tax band can be seen in the same light.

As one experienced fund manager puts it: "In the mid-1970s tax rates were high, legislation was complicated and avoidance schemes highly sophisticated. The Revenue's attitude used to be much more sensitive and fair-minded but now that they are trying to make things simpler justice is inevitably rougher and readier."

Last year's dawn raid on the offices of the Rossminster Group, which raised the legal hackles of Lord Denning among others but which proved acceptable in the end to the Law Lords, was one of the more overt examples of the Revenue's new approach.

Meanwhile, the Government's decision last October to scrap exchange controls opened up extensive new areas for investors and financial planners. So far the new freedom has been greeted with lukewarm enthusiasm. This may seem *surprising* when it is considered the UK stock market only accounts for 9 per cent of world stock market capitalisation.

It would be wrong of course, to suggest that UK portfolios should be weighted to reflect this balance, but there is little evidence to suggest that private investors have seriously started to exploit the removal of most of the barriers to overseas markets. This is partly the result of uncertainty and ignorance— few financial advisers are experts on foreign currencies and overseas equities; partly because world stock markets (with one or two exceptions) have been unexciting since October; and partly because UK investors have already had their fingers burnt through bad experiences in unit trust and investment trusts.

In the short term at least interst overseas is more likely to centre on bond and currency funds, a number of which have been launched in recent weeks. *Floating* exchange rates have made UK investors all too aware of the potential weakness of sterling and the gains which can be made by "getting the currency right." Morevore, the impending recession on both sides of the Atlantic could well make bonds more exciting than equities.

Flexibility is the key to *personal financial* planning and each strategy should evolve out of an individual's personal circumstances. Generalisation can therefore be hazardous but people should get certain things clear in their mind. It is, for example, important to decide how much capital you have available for investment. The old adage of putting money aside for a rainy day always rings true, especially if the roof is leaking or the car breaks down.

The next thing to consider is *what one group calls the time* horizon. Will you need the money in one year, five years or fifteen years? The answer will probably be a mixture of the three, but again this depends on individual circumstances such as educational needs.

Most investments either yield a high income or aim to achieve capital growth over a period. It is therefore vital to establish which you want, or whether (as in most cases) you need a balance between the two. The answer to this will probably depend on your age and personal tax rate.

Finally, remember that peace of mind is more important than ambitious, and potentially risky strategies. *If you are going to* have sleepless nights worrying about your big exposure to silver or the units your adviser persuaded you to purchase in a Far East growth fund, stick to calmer, if less exhilarating, waters. If, on the other hand, you get bored by building societies and high income funds and you appreciate the risks, try something more exciting.

The most important variable, however, will almost certainly be age. Young people tend to concentrate on *using their* growing incomes to build up capital and establish a base for later life. Middle-aged people should be thinking about resources for retirement, while the elderly usually want as high an income as possible from their accumulated capital. It may seem obvious but do not let a financial adviser take his responsibilities too seriously planning for the future is always sensible but it should not stop you enjoying yourself at the time.

Lower rates of income tax and the Government's new commitment to stamp on offenders suggest that tax avoidance experts will in time assume less importance. At the same time, however, the Government still provides ample scope for legitimate tax avoidance and it is here—in cutting the taxman's take—that all financial planning should begin.

The best known investments which enjoy the taxman's favour are houses, pensions and life insurance. Tax relief on mortgage interest means that the net cost of buying a house is almost bound to be lower than the rise in house prices. A further incentive to buy rather than rent *is that the capital* gain on your place of residence is free of all CGT. Premiums up to £1,500 or a sixth of your income paid into a qualifying 10-year life assurance scheme meanwhile attract an "extra" 21 per cent from the taxman.

Single premium bonds provide a useful life insurance shelter for the wealthy. So long as there is sufficient life insurance cover in the contract to satisfy the Inland Revenue, the money will build up in a fund or funds of the investor's choosing (income will be taxed at 37½ per cent) and encashments at the end of 10 years will be tax-free.

Contributing to a pension scheme, however, is probably the most efficient way of saving —assuming, that is, you are prepared to wait until retirement before touching the proceeds. The advantages are that contributions come off your top rate of tax, while the pension fund pays no tax on the income from its investments.

Incentives like these, although tampering with the market mechanism and concentrating wealth in a few institutional hands, are always defended on social grounds. They encourage people to provide for htemselves *and thus ease the burden on the* State—or so the argument goes.

The government—by refusing to lift the £25,000 limit of mortgage interest relief and by reducing the 17½ per cent rate of life insurance tax relief to 15 per cent from April next— has shown its determination possibly to reduce but at least not to increase the distortions. So long as these incentives remain, however, savers should continue to take full advantage —they are such good value that the government will probably *be reluctant to take too many* steps towards fiscal neutrality forf ear of hte likely political outcry.

CONTENTS

Specialist advice on all fronts

BY BARRY RILEY

MAKING MONEY can be hard: keeping it intact, let alone making it grow, can be even harder. If you are really rich then it is easy enough to hire experts who will give comprehensive, albeit expensive, advice on financial strategy. For the ordinary mortal, however, the charges for a full-scale financial investigation may seem high.

The essential problem of the investor seeking advice is that he is confronted by a vast array of specialists. To a large extent he has made his choice—in substance, if not in detail—when he decides to get in touch with them.

You could not expect a stockbroker, *for example, to recommend* that a client should buy a bigger house or carry more life insurance. On the other hand the stockbroker will be well able to advise on investment in everything from gilt-edged stock to U.S. equities, *and from unit trusts to gold* shares.

It is unlikely that an insurance broker wil ltell a client that he is over-insured and should invest instead in krugerrands or a building society. Nevertheless, an insurance broker can offer a wide range of opportunities, whether in unit-linked savings plans, traditional endowment policies or self-employed pension schemes.

One key reason why the system has developed in this way is that investors are happier to pay for the services they receive by conceding relatively painless commissions rather than paying explicit fees. Many people would be shocked, for instance, if they knew the front-end loaded charges on a large long-term life assurance policy, but they are only likely to find this out if they should unwisely try to surrender the policy early.

So it is important to remember that in principle fee-based advice is likely to be more independently tailored than when the adviser is more in the *nature of a salesman for an in*vestment house of some kind. Not that reputable salesman will ever wish to sell a bad product, but his loyalties are bound to be divided and his profit margin may be high.

Nevertheless, it is quite right *that for most people the* insurance broker should be the first point of contact. The tax advantages of insurance-based savings schemes are substantial, even after the slight reduction in tax relief in the recent Budget.

Traditionally, much advice on investment—outside insurance—has come from bank managers, solicitors and accountants who come in contact with investors for other reasons. They may have general know*ledge on investment matters*—much more, certainly, than the man in the street—but can scarcely be counted as specialists.

Bank managers, for instance, are likely to refer clients to other specialist departments within the bank. Solicitors and accountants have found that it is oftennecessary to work with other types of professionals in solving the frequently complex tax and investment problems of clients; meantime they act as important intermediaries in channelling business to the investment houses and the life assurance offices.

Possibilities

When it comes to portfolio management of stock market securities there is a wide choice of potential advice. The possibilities increase more or less in line with the size of the portfolio. At below £10,000 it may be possible to find an adviser prepared to manage a portfolio on an individual basis, but the costs will be high and most *investors of this size* will find themselves being steered towards unit trusts.

This is a more economical choice for smaller sums, and it will still be possible to give a portfolio a particular slant by choosing from among the multitude of specialised trusts. Indeed services are available to facilitate switching between various unit funds, though investors should be warned that the costs of such switching can often be high.

Above £10,000 the specialist *independent* investment advisers, and some of the smaller stockbroking firms, come into their own. Independent investment advisers are able to give a personal service, and with few overheads they can charge relatively modest *fees (based on the size of the* portfolio). The problem may be to measure the quality of the advice being given.

At around £25,000, portfolios are large enough to be economically managed by several of the large stockbroking firms which have set up computerised operations so that they can handle thousands of accounts efficiently. The managers normally like to have discretionary powers, although the client may be able to place limits on the spread of the portfolio.

Charges here will be low, or even nil, because the practice with stockbrokers is to take the bulk of their remuneration in the form of commissions on dealing for the portfolio. Naturally this introduces an element of conflict of interest in that stockbrokers may be tempted to deal more frequently than is strictly necessary. But investors will be able to keep an eye open for this.

The attraction of the stock market is the sheep range of investment possibilities it offers. Domestically, there is the choice between gilt-edged securities and equities. And now that the dollar premium has been abolished, investors can freely buy all kinds of *foreign shares and bonds.*

This is where the big banks tend to come into their own. They have access to investment expertise around the world, and have made a big business of pension fund management. With such large sums involved, however—the accepting houses are probably managing well over £10bn for clients—the better known merchant banks tend to be distinctly selective about the size of portfolio which they will take on to their books.

Fees of independent managers for smaller portfolios could be something like 1 per cent of the portfolio per year. In the middle range, where the clearing banks and smaller merchant banks are strong, charges may be nearer ½ per cent, and will be on a reducing scale for the really big sums.

Transactions

Although banks do not rely on turnover for their income to the same degree as stockbrokers, it is important for investors to be aware that banks may sometimes generate extra income for themselves by dealing simultaneously for many clients at once and keeping the benefit of the economies of large scale transactions. It will be worth finding out a bank's policy on this.

The international dimension *of portfolio management in the* larger size range has been emphasised by the entry of one of the famous Swiss banks into the business of UK portfolio management. The ending of exchange controls last year has opened up new possibilities here.

So Bank Julius Baer is launching a campaign to attract big investors with portfolios of £100,000 or more. It will be placing the emphasis on an internationally diversified investment policy, and on present thinking UK clientsw ill be gaining big exposure to currencies like the *Swiss* franc, Deutsche Mark and dollar.

In this way the choice of specialist advisers multiplies. There is no space here to discuss further possibilities in the areas of commodities, fine art and the like. But what if the investor feels that such specialists, all with their own particular axes to grind, do not haev a broad enough view of his requirements?

Then there may be no alternative but to stump up a fee and submit to a proper financial inspection. *For instance,* Midland Bank Trust offers a financial counselling service at its 40 offices. The cost, assuming an hour with a counsellor is enough, will be £30. There is also Barclays Bank's Money Doctor service which is more *expensive at £70-£100. The* customer fills in a questionnaire and receives a lengthy report covering everything form investment and insurance to trusts and capital transfer tax.

Home ownership high on the list

BY MICHAEL CASSELL

HOME OWNERSHIP emerged as one of the social priorities characterising the 1970s and its appeal is unlikely to wane over the next decade.

Today around 54 per cent of the country's housing stock is in the hands of owner occupiers—lower than in even some of the Communist countries—and every poll and government survey suggests that the overwhelming majority of young and middle-aged *people not* only wish but expect to buy their own home.

The motivation behind the big increase in owner occupation—up from around 40 per cent over the past 20 years—is easy enough to identify. Home ownership implies freedom of choice and mobility and, more than ever before, the opportunity to make the best financial investment which most people can contemplate.

The 1970s prove dthat despite the fluctuations which saw average prices alternatively rising by as much as a half during one twelve-month period and then growing sluggishly at a fe wpercentage points over the next year, the acquisition of domestic property has provided an excellent medium for long-term return on invested capital.

Rarely can the house-buyer be caught out, despite the seemingly endless debate on the "right" and "wrong" time to buy or sell. On occasions when average prices have risen sharply and stretched well beyond *their* traditional relationship with earnings, the market has weakened to the extent that new purchasers who have to sell within a short period can experience a fall in values.

But on many occasions talk of *"falling" prices is an illusion* and is based only on a reduction in the prices which vendors imagine they can realise on their homes. They may sell for a price considerably in excess of the figure they themselves paid for the property in question but will *nevertheless* talk of prices falling if they do not raise the sum which they believe *might* at one stage have been possible.

But over anything other than a fairly short period most sound properties have appreciated at a rate which compares well with other forms of investment. In the two years 1978-79 average house prices rose by something in the region of 63 per cent, though this year the increases are likely to be curtailed and kept between 15 and 20 per cent, in line with the general level *of inflation.*

House purchase for the ordinary buyer can also represent a transaction which requires little capital input on his part. The size of the average deposit put down by a first-time purchaser in the UK *is comparatively low compared* with his counterparts in many other countries. Though the equation may vary according to the prevailing supply of finance, first-time buyers can—depending on the type of property—borrow up to 90 per cent or *more of the purchase price from* a buildin gsociety. The recent average advance for first-time buyers has been around 75-80 per cent.

The percentage falls dramatically for subsequent transactions, with the building *societies now insisting* that most, if not all, the profit realised on previous sales should be re-invested in any new property purchased. The recent average loan for second-time purchasers has been around 50 per cent.

A *surprising* trend in the private housing market has been the recent ability of borrowers of all types to secure additional sources of finance to supplement loans where lending institutions have cut the volume of advances in order to spread resources further.

The building societies remain the *predominant* force in the housing finance market, providing around 90 per cent of all the funds borrowed for house purchase. Their guidelines for lending are fairly simple and are based on a multiple of earnings involving the purchaser or joint purchasers.

To lend money the societies must first attract funds and for this reason the investor with a building society will be treated as a preferred customer when the *time* comes to ask for a mortgage. The societies are not necessarily concerned with the amount of savings accumulated by an *investor* but with his readiness to save regularly and thereby establish his "worthiness" as a potential borrower.

But though the societies' mortgage terms almost always tend to represent the most *attractive for borrowing large* sums of money (a 15 per cent gross mortgage rate costs, after tax relief, little more than half the present rate of inflation); the problem has been providing enough funds to meet demand. Tax relief remains in force only on the first £25,000 borrowed.

Many thousands of borrowers capable of qualifying for building society help have suffered at the hands of recurring mortgage shortages and growing numbers have recently been turning to alternative sources of mortgage finance, notably the insurance companies and banks.

Numerous foreign banks operating in the UK now offer mortgage facilities, as do some of the clearing banks. While costs tend to be high and loans might in some cases only be available to customers of the banks concerned, the finance is at least generally available and can be repaid over terms normally associated with the building societies.

Most of the schemes, however, are aimed at borrowers seeking larger than average *amounts of money* and there seems little doubt that as long as the building societies represent the cheapest source of housing *finance*—this position may now begin to change as the movement attempts to improve the supply of funds by offering and charging more *competitive* rates—then the bulk of mortgage demand will remain squarely on their shoulders.

Many borrowers have recently found that the only method of securing building society finance is to accept some form of insurance-linked scheme, which again usually pushes up costs. The *benefits* of such an alternative (largely centred on tax relief and insurance cover) are as infinitely variable as the borrower's individual tax position and professional advice should be sought if such an option is being considered.

It is worth remembering, however, that endowment-linked borrowers do not have the facility to extend repayment periods when mortgage costs rise and have to reflect any such increases in *monthly* instalments.

Insurance-linked loans can invariably add one or two percentage points to costs, though their supporters will try to show how the higher outlay is more than fully compensated for over the *life of the loan.* In many cases the higher costs may well prove worthwhile if they ensure the purchase of an asset almost certain to offset the entire acquisition costs.

The actual costs involved in arranging house purchase today *represent a substantial* financial burden in their own right. With the national average house price now moving towards £25,000, estate agents scale fees can leave vendors with substantial bills, a trend which has led to the emergence of alternative agency systems which attempt to provide clearing house facilities for properties on the market and do not offer the range of professional services offered by their long-established rivals.

The growth in do-it-yourself conveyancing is another reflection of the rising costs of moving home and while more people are attempting to do *what in many respects* is a largely clerical job, they may find themselves badly exposed if something goes wrong.

On top of solicitors' fees come items like stamp duty, a straight taxation on house purchase which provides the Exchequer with *well* over £100m a year and which, therefore, seems unlikely to be removed. The threshold for the duty was raised from £15,000 to £20,000 in the recent Budget and the tax is paid on a sliding scale to the point *where any sale in excess of* £30,000 attracts a rate of duty of £20 per £1,000. When the £15,000 threshold was set in 1974 only 16 per cent of houses on mortgage cost more than that figure, whereas the figure had reached over 70 per cent *by last year.*

Other incidentals include fees charged for inspections by building societies—a survey conducted by a privately hired surveyor wil now, however, also be accepted by the society. If a building society inspection is *carried out, do not expect to be* told about its findings as the societies say the exercise is intended to ensure their investment is a wise one and not to provide information to the purchaser.

When all the bills are totted up the average house buyer can expect to have to find something in the region of £1,000, a figure which may be doubled if the sale of another property is involved. Most house-buyers swallow and bear the cost in the knowledge that they are almost certainly concluding one of the most potentially attractive investments they will ever be in a position to make.

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PERSONAL FINANCIAL PLANNING 3

Bequeathing your assets to best advantage

BY TIM DICKSON

MARRIAGE ACCORDING to one financial adviser, is arguably the best moment to start thinking seriously about death. A chilly observation, you will agree, but before you start jumping to the wrong conclusions this particular financial adviser, as far as I know, is neither a divorced misanthropist nor a psychopathic newly wed. He is simply trying to make what is a perfectly valid point, namely, that the sooner you draw up a will the better it is for everyone concerned.

The whole business of handing over assets to relatives and friends is, in fact, well worth looking into as early in life as possible.

Much of your energy will doubtless, be directed to considering the Capital Transfer Tax position, but the first step is probably to draw up a will. There are several good reasons for honeymoon couples to put this high on the list of their priorities when they get back from Majorca and there are even arguments for taking earlier action.

Making a will may seem an unnecessary and unsavoury inconvenience, but without such a document you may find, or at least your successors may find, that your money, property, investment and other assets will not end up in the right hands.

Estates of anyone who does not make a will are distributed under the intestacy provisions of the Intestacy Estates Act, a long and complicated piece of legislation which can inevitably result in both hardship and bitterness. Children, for example, automatically get half the balance of everything (bar personal chattels) above the first £25,000 and it is not generally known that brothers and sisters of the deceased are in certain circumstances entitled to a share of larger fortunes—even if there is a bereaved wife or husband around. These are hardly thoughts to send most people peacefully to their final rest.

Making a will should avert this sort of mishap and make life administratively easier for dependants. A widow's grief and an orphan's loneliness are harrowing enough without giving survivors the added burden of unlocking assets and persuading a probate court that they are the rightful and proper executors. Broadly speaking a certificate of probate gives official blessing to the executor—until this is signed all assets are usually frozen, though there are certain exceptions like joint current accounts.

Incentive

A further incentive for making a will in plenty of time is to make sure you appoint the executor of your choice. The job of an executor is both to pay off debts and oversee distribution of assets by following the instructions of a will. This can be a very demanding, time-consuming and expensive job, especially if minors are involved—hence the reassurance of making the appointment yourself and knowing that your family's affairs are in good hands. Under the intestacy provisions, it is up to those who by law inherit your wealth to administer your estate together.

By far the largest number of appointed executors are private individuals—close relatives or friends who perform the function free of charge. This is probably the best option where small amounts are involved, though it is well to provide some sort of allowance in your will for the care involved. Where your affairs are complicated, however, it is without doubt essential to enlist professional support — either a solicitor, a bank, or the Public Trustee.

Although banks and the Public Trustee set out a scale of charges, it is difficult to tell in advance how much an executor service is going to cost. Banks are traditionally more expensive than solicitors, so in less complex cases a solicitor will probably be the best and cheapest bet. Banks, however, come into their own when the estate is sizeable and the will complicated. Computerised administration can be a big advantage, while the banks' international connections can play an important role in helping, for example, to repatriate assets outside the UK.

Alternatively, there is always the Public Trustee, a Government body set up around the beginning of the century whose sole business is to administer wills. There is only one office—in London—so this option may not appeal to those who live outside the capital.

Perhaps the most important reason for making a will is that it is an invaluable tool of Capital Transfer Tax (CTT) planning. CTT is the successor to the old estate duty and is a tax levied on all transfers of capital during lifetime and after death—bar a few important exceptions and beyond a certain limit. The threshold for both lifetime and death transfers was raised in the budget from £25,000 to £50,000, a long overdue adjustment for inflation but nonetheless a significant help to those at the Non-exempt assets given away during your lifetime are of course deducted from the CTT-free allowance on death.

These thresholds may now appear generous but you just have to think of average house prices today to realise that £50,000 does not go very far. CTT planning is therefore very important. Unlike death duty, which was completely avoidable, there are not so many escape routes from CTT. The best advice is therefore to take advantage of the annual and other exemptions and give away as much as you can afford while you are still alive. The accompanying table shows that the rate of CTT increases on disposals made after death.

One of the most important exemptions is the free lifetime transfer between husband and wife. This illustrates how a will can be used constructively. Take a man, for instance, with an estate worth £100,000. If he leaves the whole lot to this wife, no CTT is payable on his death, but when the wife dies her estate will be liable on the second £50,000. On the other hand, by transferring £50,000 worth of assets to his partner during his lifetime and then leaving the balance to his children in a will there will ultimately be no tax to pay—nothing on his £50,000 estate and nothing on the wife's £50,000.

All lifetime gifts out of normal income, such as Christmas presents, are free of CTT but you may have to prove to your tax inspector that your own standard of living has not suffered in the process. Transfers of assets for the maintenance and education of children or dependents are wholly exempted. So are gifts to charities and political parties during your lifetime. In the Budget the limit for gifts to charity made on death which escapes the CTT net was raised to £200,000.

The Chancellor also lifted the small gift exemption from £100 to £250—youn can make gifts up to this amount to as many individuals as you like.

Then there are the large annual gift exemptions. Each spouse can give away up to £2,000 a year which need not be added to the total of lifetime gifts. This exemption can be rolled over for one year so that the maximum a couple can give their children in one 12-month period is £8,000 (£4,000 each). It is as well to remember, however,t hat you have to use up your exemption for the current year first, so if you only give away £2,000 the previous year's £2,000 disappears for good. Marriage also gets the taxman's blessing, with parents each allowed to hand over £5,000 to the fortunate couple, grandparents £2,500 each and anyone else £1,000.

Where estates are likely to be worth more than £50,000 the incentive to use as many of the exemptions as possible is obviously considerable. Moreover, at a time of high inflation it is clearly better to transfer assets earlier rather than later, when they will presumably be worth more.

There are other forms of relief, notably for farmland, woodland and small businesses which can best be outlined by a tax accountant, lawyer or other adviser. At least there is no shortage of books and pamphlets on the subject of CTT and estate planning.

One important effect of the Budget changes worth stressing is the help the new £50,000 threshold of CTT gives to small businesses. Allowing for the 50 per cent relief on valuation, this £50,000 can be increased to £100,000 and by using the tax-free transfers between husband and wife this figure can be doubled. Thus a business with more than £200,000 worth of assets can be passed on without penalty.

CAPITAL TRANSFER TAX RATES

(Transfers made on death or within three years before transferror's death)

Proposed new scale portion of value £000s	Rate %	Cumulative tax to bottom of range £
	Nil	Nil
50—60	30	Nil
60—70	35	3,000
70—90	40	6,500
90—110	45	14,500
110—130	50	23,500
130—160	55	33,500
160—510	60	50,000
510—1,010	65	260,000
1,010—2,010	70	585,000
over 2,010	75	1,285,000
Other transfers		
	Nil	Nil
50—60	15	Nil
60—70	17½	1,500
70—90	20	3,250
90—110	22½	7,250
110—130	27½	11,750
130—160	35	17,250
160—210	42½	27,750
210—260	50	49,000
260—310	55	74,000
310—510	60	101,500
510—1,010	65	221,500
1,010—2,010	70	546,500
over 2,010	75	1,246,500

Long-term strategy to meet changing needs

BY ERIC SHORT

THE MAIN theme of personal financial planning is first to identify one's requirements, get them in order of priority and then allocate resources to meet as much of the needs as possible. These requirements and priorities change wth age, hence the need for flexibility in planning and continual review of the overall planning strategy.

With young couples, where both are working, the prime objective is to accumulate enough capital to put down as a deposit for a house. The requirements of buying a house are dealt with in a separate article. Suffice it to say that once they own a house, the couple should ensure that there is no financial liability should one of them die.

But when the first child is on the way, and the woman ceases to earn, then the requirements and needs change dramatically. With a young family the man is the breadwinner and the family are immediately financially vulnerable should the husgand die or become disabled. Life cover and disablement cover are very necessary for a young couple with a family.

The first point to make is that the State is not over-generous in this event. The widow receives a basic weekly benefit of £23.30 a week, plus £7.10 for each child. These rates are being increased as from November to £27.15 and £7.50 respectively. These benefiits are taxable. There is an earnings-related addition based on earnings since 1978. But this is still a compartively small amount.

If the man is disabled he will receive £29.95 a week for himself and wife, plus £1.70 for each child for the first 28 weeks of sickness. Thereafter, invalidity benefits apply of £37.30 for the couple and £7.10 for each child.

From November these sickness rates rise to £33.35 a week for the married couple, but the rate for each child ise cut to £1.25. The invalidity benefits rise to £31.60 for the couple and £7.50 for each child. Sickness benefits are at present free of tax. There are no lump sum payments from the State scheme on death or sickness.

The gaps in this State cover are obvious and need to be filled if financial hardship is to be avoided should the unforeseen ocur. The starting point in the financial planning is what the company employer provides.

A company pension scheme now provides a high level widow's pension plus generous lump sum death-in-service benefits. The lump sum death benefit can be as high as four death, while the widow's pension can be as much as 4/9th of salary. Taking the two together they should provide sufficient cover should the husband die.

But by no means all company pension schemes provide benefits as generous as this. The husband needs to check the exact position on the benefits that would be paid to his wife should he die. More and more pension schemes are now providing annual benefit statements that do just this.

Then the husband could well change jobs, moving from a company with a good pension scheme to a company with no scheme at all. Then in the event of the husband dying, the widow would be left with the State scheme only.

Exercise

All these points need to be considered in the planning exercise. It is better to err on the side of caution, with too much life cover rather than too little. The ideal contract is a term assurance plan, which provides high level life cover over a specific period for low premiums.

Young couples with families have to watch the pennies; they cannot indulge in fanciful life assurance schemes that require considerable outlay. For example, a man aged 29 can insure himself for £100,000 paid should he die within the next 15 years for as little as £10 per month gross and he would get tax relief on the premium. Alternatively the cost of providing an income of £5,000 a year from the date of his death over the remaining period would be as low as £3 per month, less the tax credit.

This leads on to the next consideration—should the husband insure for a lump sum or for an income payment. The standard argument for the lump sum is that it is relatively easy to get an income from a capital sum but not so easy to reverse the process. On the other hand, it is the widow who has to invest the capital and payment of a family income is trouble-free.

With the passage of time, however, the family grow up, the wife returns to work and the husband is able to put more aside from his earnings. More attention can be given to the savings aspect rather than life cover. With most term assurance contracts there is an option to convert the plan to a savings scheme. The husband is then able to consider the variety of such savings plans offered by life companies—the safe with profit endowment, the open-ended unit-linked scheme or the building society-linked plan.

Again the family may have accumulated or inherited some capital. The life assurance industry and the unit trust movement offers attractive investment opportunities for the small and the not so small investor. But the point to be made is that a savings scheme should only be taken out once adequate life protection has been secured.

All too often the young couple are sold a savings plan at outset, which because it has death cover is regarded as sufficient for the needs of the family. The lure is the attractive benefits at the end of the scheme. If the husband survives then all is well. But should he die, then it is his widow who discovers the inadequacy of the life cover on a savings plan.

Looking even further ahead, the savings plan should be as flexible as possible, unless it is for a specific event such as a lump sum near to retirement. The unit-linked life contracts offer complete flexibility, a feature that is being imitated by a few conventional life companies in their flexible plans.

Returning to the young couple, if needs to be remembered that there could be financial problems should the wife die. The cost of hiring someone to look after the children is considerable. This point needs to be considered in the planning exercise.

Considerable stress is laid on life cover in financial planning exercises, but what happens should the husband become disabled through accident or illness. Here the picture is far less clear-cut. Some employers are generous to an extreme, keeping the employee on the payroll for some time. Other employers throw him at the mercy of the State scheme at once. But cover against disability is a necessary as cover against death.

The most satisfactory answer is for the employer to have a company permanent health insurance scheme to blend in with the company pension arrangements. Such schemes enable an employee who becomes disabled to have his salary maintained at a reasonable level and still remain a member of the company pension scheme. Failing this, there are individual permanent health contracts marketed by some life companies. But the taxation of benefits if the individual is ill for long periods can be penal, a feature that does not happen with a company scheme.

PERSONAL FINANCIAL PLANNING 4

The investor in the big money bracket

BY TERRY GARRETT

THE SAVINGS editor had never struck me as a fairy godmother so his suggestion that I should have £100,000 to invest for the 80s had to have a catch. It did. The portfolio for the 80s is to be the imaginary investments of an affluent and ambitious individual who is willing to mix a it of spice within a secure investment strategy.

The first step is to draw up the options. Obviously there are the traditional homes such as National Savings, building socieities, etc., though these do not fit in with the image of our ambitious investor except perhaps as short-term havens. Of course equities and government bonds must feature and now that exchange controls are no longer a restraint the opportunities are wider. Currencies must also be considered. Commodities, and inevitably gold, are bound to feature over the next decade, and property too must not be forgotten. Finally there are the alternatives — stamps, paintings, wine, and other collectables that have provided such excellent returns during the 70s.

Within those broad outlines the sub-headings make up a substantial list. The problem is that any portfolio must be flexible and any suggestions must relate to today's market conditions. Next week the strategy may be outdated. Also while £100,000 is no mean sum to invest it really precludes any direct investment in any large asset. For example, property investment would soon make a big hole and so any thoughts there will have to be channelled towards property funds. To start thinking about agricultural property or forestry the investor is going to be of the size that he is playing around with—at least £½m or so.

Anyway, for the sake of "portfolio for the eighties" our investor is assumed to be sitting pretty in a rather attractive house which should give him a fairly healthy capital gain. During the seventies average house prices more than quadrupled. Perhaps he even has a weekend cottage tucked away.

In financial planning, tax, insurance and pensions all play a major role. The first step for any adviser will be tax planning, but this is such an individual requirement our investor is assumed to have organised that side of his life already.

What do the experts suggest for a portfolio for the next decade? First stop is perhaps the bank.

Barclays Bank suggests that at the moment they would split the investment into three broad categories. Somewhere between 35 to 40 per cent should be invested in fixed interest stocks with a similar proportion going into UK equities. At present they would buy "blue chip" stocks. Finally around 10 per cent should be invested overseas through various in-house funds.

Barclays is concentrating on the U.S. and considers Japan to be worthwhile, though Japan should be bought a little later on rather than now, they say.

Merchant banks are an important source of advice for someone investing on the scale of £100,000. Hill Samuel takes pains to tailor the portfolio to the individual's taste. Private clients do not necessarily have to go along with the "house view" and flexibility is the watchword. At present the merchant bank's advisers are fairly enthusiastic about gilts and suggest that perhaps 20 to 25 per cent of our £100,000 should be invested in Government stocks.

Answer

As for the rest Hill Samuel believe equities to be the long-term answer. Within that, perhaps 20 per cent oft he portfolio should be directed overseas—say 15 per cent in the U.S. and 5 per cent in the Far East.

When investing in UK equities the advisers adopt a fairly conservative approach, aiming for a wide spread across the sectors rather than chasing after special situations. However, to add that bit of spice for the ambitious investor, 5 to 10 per cent of the equity holding will be fed into a "special situations trust."

Hill Samuel is not keen on commodities. The risk/reward ratio for the long-term investor does not add up, the bankers say, though obviously there will be times when it is right to channel funds into commodities. That time is not the present.

As for alternative investments Hill Samuel agrees that it is important to make a serious appraisal. To do so the bank presumably taps the knowledge of experts such as Stanley Gibbons in the world of stamps.

At Charterhouse, gilts and equities take the back seat. Charterhouse's advise was to buy a house and "furnish it up to the eyeballs." If there is still plenty of money left gold coins come highly recommended. Sovereigns were probably one of the best investments in th eseventies.

The portfolio for the eighties, if it is to lean towards the ambitious, should include some paintings and other collectables such as pewter, pottery, etc., according to Charterhouse. It adds a fun element to the portfolio but remember not all works of art have provided a positive return. So better pick something that you can live with and if it does not turn up trumps in capital appreciation at least it has provided some pleasure for the eyes.

Having equipped the house with all the collectables and coughed up for a modern burgular alarm system the Charterhouse adviser turns to the stock market. Assuming the investor is a high rate tax payer he will want some low-coupon gilts. In all 40 per cent of the spare cash should be aimed at the gilt market with the rest going into equities. Perhaps a tenth of the portfolio should be invested in the U.S. and high technology stocks are favoured.

A few hundred yards down the road stockbrokers Capel-Cure Myers' portfolio is like this: 5 per cent should be put into commodities—gold is the favourite at present, and a further 5 per cent should go into gold shares as the yields are good and politically the brokers think that South Africa is looking reasonably stable. A further 5 per cent of the portfolio should be in either U.S. or UK traded options, where there is potential to make a lot of money without too much risk. Moving on, 10 per cent should be in UK gilts, whether high or low-coupon does depend on tax status, and another 10 per cent should be invested in U.S. Government Bonds.

By far the biggest commitment CCM suggest should be in UK equities, with 45 per cent of the portfolio. Smaller companies are favoured, especially those without cash strains and some recession-proof qualities. Our ambitious investor should tuck away 10 per cent in the U.S. equity market—CCM are looking at the stronger retailing stocks at present and are currently switching out of BP into Sohio in the oil sector. Finally, a further 10 per cent should be placed in the Far East—favourites at present are Singapore and Malaysia rather than Japan.

Stockbrokers Grievson Grant lean towards a highly liquid position at present. According to their private client department the 1980s should at least be started with some 50 per cent in liquid assets such as gilts, the money market, building societies, local authority yearlings, and the like. Between 35 and 40 per cent of the portfolio should be directed into Europe (including the UK) with the home market taking the lion's share as other European markets are very much smaller in comparison. Grievson is not particularly keen on the U.S. and only recommend a small investment, and there should also be a holding in some Far East funds.

Meantime, stockbrokers Phillips and Drew suggest a fairly heavy weighting in fixed interest for our ambitious investor. Sixty per cent should be in fixed interest but of that 30 per cent should be dollar-denominated holdings, 35 per cent Deutsche-Mark, 15 per cent sterling and 20 per cent yen. Of the equity portfolio P and D suggest 20 per cent in Europe, again mainly the UK, 30 per cent in the Far East, 10 in Australian gold stocks, with the U.S. accounting for 40 per cent of the equity portfolio.

This broking firm obviously feels sterling is not the currency for the investor in the eighties and has been putting more weight behind U.S. and Japanese investments over the past year. As for alternatives, P and D are also not so sure that they will do as well this decade as the last. Time will tell.

The small saver hotly wooed

BY TIM DICKSON

FINANCIAL INSTITUTIONS have never been quite so desperate as they are today to attract our small savings. Barely a day passes, it seems, without some new "product" from a building society, life insurance company or unit trust group. High street banks —for so long discreet, if not complacent, about attracting new customers—are also entering the fray. The "Big Four" clearers indeed have all stepped up their marketing profile in recent months and Lloyds, one of the most traditional, is even enticing young couples to open an account by offering them cash discounts on household goods.

Meanwhile, elsewhere in the savings arena, if not quite so prominently in the shop window, the Government (through the Department for National Savings) is busier than ever trying to sell its wares. To the saver, particularly the small man who is probably unable to afford proper financial advice and to whom a few extra pounds may be very important, it is all decidedly bewildering.

Keeping pace with inflation, in other words neither winning nor losing, is considered a significant achievement these days. It seems right therefore to kick off with the two National Savings schemes which will do just this. The Save As You Earn (SAYE) Index-linked contract involves a regular contribution of £20 a month for five years, while the popular Index-Linked Retirement Certificates (known colloquially as Granny bonds) have to be held for a full year to get the benefit of any increase in the cost of living. Obviously these two plans represent a gamble as to the future rate of inflation and in the case of SAYE five years may seem a long time.

The Government appears firmly committed to restrain prices but at the same time it is worth pointing out that no one but the Government is able to guarantee a real rate of return. For the time being there seems little reason to think this will change.

Successful

Undoubtedly the most successful savings institutions of the 1970s have been the building societies. At the end of 1970 they accounted for £10bn, or about a third, of the £29bn, of identifiable short-term assets held by the personal sector, but by the end of 1979 this proportion had risen to £42bn out of £91bn (much nearer a half).

Building societies still offer attractive returns to depositors but the steady increase in interest rates over the past year or so has eroded the advantage they enjoyed for so long over the High Street banks. Thanks in part to the societies' specially low composite tax rate (21 per cent last year) and to the attitude of the banks, building societies usually managed to keep one step ahead of their rivals. A year ago, for example, they were offering 8 per cent tax paid on ordinary shares, significantly more than 9½ per cent gross available on ordinary seven-day bank deposits.

Today most contestants in the race are lying neck and neck. The building societies offer 10.5 per cent net of tax on ordinary shares, equal to the 15 per cent gross returned by banks on seven-day deposits and by the Government on the National Savings investment account. Withdrawal notice of one month has to be given on money in this last-named account and there is the additional drawback that interest is only credited for each complete calendar month the money remains on deposit.

Bank deposits and the National Savings investment account are currently the best bets for non-taxpayers but the chances are that building societies could soon retrieve their former advantage for taxpayers by pegging their rates at present levels when interest rates generally come down. Building societies are scarcely able to satisfy half the demand for home loans and, unpalatable as it will be to borrowers, the only way for societies to attract sufficient funds is to drag their feet on the downward path.

In the past few months building societies have been actively marketing term shares in a bid to make up the shortfall. At the beginning of 1979 term shares accounted for 10 per cent of total building society balances but today this figure is more like 13 per cent. Savers have to be prepared to part with their cash for at least a couple of years but in return they get more than the rates offered to ordinary depositors.

A surpriisngly neglected option for longer term savers has been building society insurance-linked plans. The rewards here are boosted by the 17½ per cent tax credit on life insurance schemes and at the moment net returns of 14-15 per cent are available over four years. Largely overshadowed by the now dead one- and two-year income bonds, which offered sky-high returns thanks to the clever but ultimately unacceptable exploitation of tax relief, building society insurance-linked plans should come back into their own.

Building societies were already suffering from a low level of net receipts in the last few months of 1979 but a knock-out blow was delivered in February in the form of the 19th issue National Savings certificates. Some £250m was sold in the first four weeks, a record for the first month of any new issue and a sign of its appeal to many savers. Over five years the 19th issue returns 10.33 per cent tax-free, a highly attractive yield for high-rate taxpayers and not unexciting for those on the basic rate. At the moment it may not compare with the net return offered elsewhere—the guarantee over the five-year term, however, is something which building societies and banks cannot match. The maximum £1,500 holding should be hard for high-rate taxpayers to resist and should be carefully considered by anyone on basic rate.

The gilt-edged market, meanwhile, offers safety in the form of high gross redemption yields plus a little excitement for the small saver given the prospect of a capital gain. Fortunes can, of course, be made and lost by dealing in Government stock but those prepared to sit tight until the date of maturity can sleep easy at night when interest rates and interest rate expectations change.

Gross redemption yields of 14-16 per cent are currently available on many short-dated stocks (up to five years) and gross returns to redemption of around 13-14 per cent can be found on many medium-dated stocks. With interest rates seemingly set to turn down on both sides of the Atlantic as the recession gathers momentum, the chance of making a capital gain in the next few months is more than just a remote possibility.

The savings arena can be likened to a giant chess-board. A move in Minimum Lending Rate (MLR) can quickly transform the game and leave certain savings vehicles looking distinctly vulnerable and uncompetitive. Time alone will tell how the various savings media will react to the next change in MLR, though it seems likely that in future the incentive to keep in line will be greater than ever.

It is worth remembering, incidentally, that there are several distinctly "bad buys" on the market which are hopelessly out of line with the competition and which savers should try to avoid. The Trustee Savings Banks ordinary account, for example, returns a mere 4 per cent. The National Savings ordinary account is also bad value, returning 5 per cent — though the first £70 of interest is admittedly tax-free. Finally, no less than £622m is tied up in British Savings Bonds although they only offer 8½-9½ per cent before tax.

A number of investors may admittedly be waiting for the 4 per cent bonus paid on the original investment after five years. It is nonetheless clear that a lot of people should take a good look at their existing arrangements before turning their thoughts to the current opportunities for new savings.

The working expatriate's nest-egg

BY ROBERT COTTRELL

THE EXPATRIATE Briton of this decade is more likely to be found engineering an irrigation system in the Sahara or a process plant in Tripoli than sipping a Planter's Punch on board a yacht in Cap Ferrat. As far as the impoverished Brits are concerned, abroad is a place for making rather than taking money. A prolonged tour of duty in a high-wage low-tax location provides an opporunity for building up and ultimately repatriating a sizeable nest-egg on favourable terms.

"The essence of any arrangement is to keep it simple, keep it totally legal, and not too fancy," says Mr. Graham Reid, a director of Isle of Man-based investment and tax advisers Thomson's Overseas. "If it is too fancy, it is a nightmare to unwind. Always take professional advice, keep it simple, and stay within the rules. There are plenty of advantages playing within the rules."

The first step in any expatriate financial arrangement is to establish non-residential status for UK tax purposes. The working expatriate must, broadly, be out of the country for at least a full tax year, spending no more than 183 days of any one year or an average of 90 days in succeeding years in the UK; and be performing the whole of his or her work duties abroad.

The second step is to make realistic assessment of how long one will be abroad, to determine the time-frame for investment policy. If the stay is to be a long, for instance, substantial sums maye be put into an offshore life insurance policy which will become repatriatable into the UK tax-free after it has been maintained for ten years.

Diversified

As in all forms of non-speculative investment, a primary consideration will be the security, as well as growth, of funds. This is best guaranteed through a diversified portfolio, including fixed-interest and equity holdings. A number of advisers, including Mr. Reid, regard UK gilt-edged stocks as a good current buy for a secure portfolio base.

Expatriate gilt-buyers will want to choose stocks on which interest is paid gross. Such gilts are designated in the British Funds list in the Financial Times, or can be bought and sold through British Post Offices.

For the expatriate seeking a straightforward way of holding a spread of gilts, there are a number of specialist offshore gilt funds, such as the GT Anchor Gilt-Edged and AHR Gilt-Edged.

For the buyer with more capital to commit to fixed interest stocks, expert advisers who abound in places of mild taxation like Bermuda and the Channel Islands will provide sophisticated management in bonds of all denominations, at a price.

The short- or long-term expatriate may benefit by transferring cash held on deposit in a UK bank to an offshore bank. Normally, interest on a UK deposit account will be paid gross if the account holder establishes non-resident status. But the advantage of going offshore comes in the year of return to the UK, says Mr. Bill Cochran of Expatriate Financial Advisors.

"If you return on April 3, interest [on UK-banked cash] right back to the previous April 5 is taxable. If the bank is offshore, the interest before your arrival in that tax year is not liable to tax," says Mr. Cochran.

Another expatriate favourite is the "single premium" life assurance policy. As the name suggests, the idea is to tie up a long-term income with a single deposit. On return to the UK, 5 per cent annually of the original investment can normally be drawn free of tax. Proportionately higher withdrawals are free of basic rate tax, though liable to higher rates. Where more than 6 per cent is drawn in a year it remains free of basic rate tax, though not higher rates. But with the recent raising of the basic rate ceiling to £11,250 in the Budget, that leaves leeway for a sizeable untaxed income.

Probably the most attractive scheme for the expatriate investor anticipating a return to the UK after a substantial stay abroad is the "ten plus" life insurance policy. Funds from an offshore policy maintained for ten years can be received into the UK free of all tax, providing an efficient off-the-peg individual tax shelter.

The expatriate may go for such a policy to an offshore subsidiary of a British insurance company, in somewhere such as the Channel Islands or the Isle of Man. The life fund may be linked to the offshore funds of a major British institution. For example, Lloyd's Life Assurance (Isle of Man), a subsidiary of Lloyd's Life Assurance of London, provides policies linked in to the Gartmore offshore unit trusts.

There is of course no tax relief on the premium paid by the expatriate assured. But the advantages of investing in a tax-haven-based fund are substantial. In, say, an offshore gilt fund with an average gross yield of 14 per cent, some 12 or 13 per cent will pass to the policy-holder after management charges. But for a British insurance company paying corporation tax at 37½ per cent, perhaps less than 9 per cent will find its way back to the policy-holder.

When the policy has been maintained for 10 years, with premiums paid from offshore-generated cash, the capital (or an income treated for tax purposes as withdrawal of capital) can be enjoyed free of all tax in the UK by the returned expatriate. Sophisticated policies provide for an earlier return of the expatriate by synchronising a number of small policies, so that early encashment of a few provides premiums for the, others—making the policy as a whole effectively self-funding after a pre-determined number of years.

The investment floor for such schemes is currently £12.50 monthly, but with twice that amount more commonly required.

For the old-style expatriate, concerned with the protection rather than amassing of money, fiscal problems will tend to merge with those more philosophical in nature. Is it better to live in magnificent solitude on a tax-free if rocky outcrop in the Antarctic, or within driving distance of the local casino in a moderately civilised if more heavily taxed city?

Either way there will be short shift from financial advisers unless there is £50,000 or more in the kitty—a sum admittedly within reach of most professional Londoners selling their homes as part of the move.

Crucified

"My attitude has been that the individual investor with less than £50,000 will be crucified on dealing costs," says Mr. Derek Breed, a director of Jersey-based investment analysts and advisers Robert Meyerding (CI). Only above that level, he says, can one justify individual management of a spread of interests. The more modest investor, with £20,000 and up, "ought to be in sensibly managed offshore funds with spread," he says.

There is no shortage of professional management appropriate to every level of investment, which should be taken where possible to squeze the last cent out of every dollar, dinar, or Deutsche Mark. For guidance on this, as on other issles like social security, tax, pensions, and children, as god a start as any is "Working Abroad," by Harry Brown.

Working Abroad, a Money Management publication.

HOW A "TEN-PLUS" POLICY WORKS

Year	Premium from own resources ($)	No. of Policies encashed	Proceeds on encashment ($)	U.K. Tax Payable ($)	Annual Premium ($)
1	5,000	NIL	NIL	NIL	5,000
2	5,000	NIL	NIL	NIL	5,000
3	5,000	NIL	NIL	NIL	5,000
4	NIL	3	3,725	NIL	3,725
5	NIL	2	3,104	104	3,000
7	NIL	1	2,404	204	2,200
8	NIL	1	2,195	220	1,975
9	NIL	1	1,800	NIL	1,800
10	NIL	1	1,675	NIL	1,675

At the end of ten years the remaining 9......... policies have a cash value of $25,861
plus balance carried forward .... $ 157

Tax-free proceeds $26,018

If premiums are invested for a full ten years, the proceeds at that time would be worth an estimated $77,817 in return for $50,000 invested.

The contract is issued in 20 separate and free standing policies with minimum annual premiums of $100 upwards. Sufficient policies are encashed each year to meet successive premiums (leaving a minimum premium of $1,000 at all times).

The illustration is calculated on the basis that the investor will become subject to U.K. taxation from the 4th year onwards at a top rate of 75% and is therefore subject to the 45% maximum higher rate tax charge (after deducting the basic rate of tax).

It is assumed that annual compound growth of 10% is achieved on the fund taking into account income reinvested without any tax liability and net of management charges.

This example of a "ten-plus" policy shows a scheme designed to become self-funding after the first three years. Source: Towry Law (Channel Islands) Ltd.

Ensuring that the pension is adequate

BY ERIC SHORT

ONE NECESSARY feature of an enjoyable retirement—the longest leisure period of one's life—is to have an adequate pension throughout retirement.

Our forefathers had to save towards their retirement and this was entirely voluntary on their part. It loomed very large in their personal financial planning strategy—if indeed they had a strategy as such. But nowadays saving towards a pension is compulsory by all of us who are employed. If we are in a company pension scheme, then our pension contributions are deducted from salary, or salary is adjusted automatically. If we are relying entirely on the State scheme, then aagin our National Insurance Contributions are deducted automatically under PAYE. So what role is there for putting aside any other money for retirement in one's personal financial planning?

If you are in a good company pension scheme, entitled to the maximum possible benefits, the answer is probably that there is no role. Everything is being done for you, so with your cash and other assets you can concentrate on the other planning aspects as covered in this survey.

But are you going to get the maximum benefits? Even after the upheavals in the 1970s in the pension field, there are still gaps in company pension provision and there are even more gaps in the new State scheme. Are you entitled to the maximum pension from the company? In many schemes you will have to be a member of the scheme for 40 years. Service counts from the time the scheme was set up, not necessarily the length of time you have been with your employer.

Most important, does your company revalue pensions each year in line with inflation? If not, and the number of company schemes that do this is small, then here is an obvious gap in your pension benefits that needs to be filled.

In the State scheme you will not qualify for the maximum pension unless you retire after the scheme reaches maturity in April, 1998. And you will not get a tax-free lump sum payment on retirement, as you ean with a company scheme.

So your first task is to ascertain what your pension and lump sum entitlements are at retirement. Companies are being far more informative on providing benefit statements to employees and discussing their problems with them. If there are gaps, then improvements in the pension scheme are a subject of negotiation between the company and the employees' representatives.

Failing that, you can save yourself to improve the benefits through an Additional Voluntary Contribution scheme—known as AVC. Under this type of scheme the employee makes regular contributions, deducted from salary, into a fund that builds up benefits. At the time of retirement, the employee can take the accumulated fund as a cash sum, up to Revenue limits, and/or towards improving his pension. The fund can be used to top up the pension to meet the ravages of inflation.

Making regular pension contributions is the most tax efficient means of saving. The individual gets full tax relief on contributions. Investment is in a tax-free exempt fund. And the benefits are treated favourably tax-wise—lump sums are tax-free and pension payments are taxed as earned income. These concessions apply to AVC schemes, so top up your pension with such a scheme in preference to doing it yourself.

Negotiations

If you are in the State scheme only, then negotiations with the employer should be made to top-up the State scheme benefits to provide lump sums on death in service or at retirement, together with supplementing the State pension. If this course of action is not possible, the employee is entitled to take out a personal pension with a life company. These schemes are not solely for the self-employed, but for anyone not in pensionable employment. And being in the State scheme is not treated as being in pensionable employment.

The executive pension scheme can play an important role in tax planning for executives, especially for the controlling director. The lump sum death benefits under any company pension scheme are paid free of Capital Transfer Tax (CTT) and all other taxes. The financial planning of the executive should be built around the central pillar of the benefit under the executive pension scheme.

The position of the self-employed individual in the pensions field has always been that of odd man out. He has never been comfortably fitted into the State scheme. Under the new style, all the self-employed get on retirement is the basic pension. Like their forefathers, the self-employed have to save towards their own pension. But if they save through a life company personal pension scheme, they can get generous tax concessions.

Their contributions are eligible for tax relief at the top rate. Investment is in a tax-free fund. And at retirement the pension is taxed as earned income, with the option of commuting part of that pension into a completely tax-free lump sum. But these concessions will not apply if the self-employed does not use a ife company scheme. On his own, he will be clobbered by the taxman.

The recent Budget proposals incorporated in the Finance Bill will extend the concessions available. From the current tax year, the self-employed can get full tax relief on contributions up to 17½ per cent of net relevant earnings, with no upper monetary limit. They will be able to carry forward unused reliefs for up to six years from the year of assessment, giving them flexibility in planning. And lump sum death benefits can be paid free of CTT.

However, persons near to retirement, whether employed or self-employed, have very little time to make savings arrangements that will be meaningful at retirement. By all means top-up to the last possible moment, but it is a paradoxical truism that you should start saving for your pension on the day you start work. But "the moving finger writes" and you need to consider how best to use your resources in the time available before retirement.

These persons should look at their homes and consider what improvements could be made, what household goods are going to need replacement in a few years — and to make these changes and purchase the goods while still earning. They should not put off doing anything until retirement, when it would well be found that the pension is inadequate to meet the costs. In these inflationary times, all too often money used to modernise the kitchen, the bathroom, and the lounge is better spent than if put aside in savings.

By the same token have any required major improvements in the house structure carried out before retirement—check doors and window frames for rot. The elderly feel the cold progressively, so lag the roof, insulate the cavity walls, and put in double glazing. Finally, have the house redecorated during the 12 months before retirement.

You could consider changing the car, perhaps getting a smaller one—and buy your wife a new wardrobe while still earning.

PERSONAL FINANCIAL PLANNING 6

The high cost of private schooling

BY ERIC SHORT

PLANNING AHEAD to meet school fees can be a big headache for parents. It is a complete financial planning exercise in itself. Yet the demand for private education is such that more and more parents are seeking advice on the various ways of meeting the cost.

The first feature in school fee planning is to appreciate the high level of the fees themselves. The annual survey made by the Independent Schools Information Service (ISIS) showed that average annual fees in January 1979 were £2,290 for boys boarding out and £1,038 for day boys, while for girls the average fees were £1,864 for boarders and £853 for day pupils.

ISIS expects to publish the average fees for January, 1980, next June. They are likely to be at least 15 per cent higher on the year. So current boarding school fees are around £2,650 for boys and £2,150 for girls, while day school costs are around £1,200 for boys and £1,000 for girls.

This is the base line from which school planning starts. It must be remembered that the highest fees are much above these average figures.

Next, fees will almost certainly rise with inflation, more in line with earnings than prices, since education is still very labour-intensive. This could be even more so with the private sector in view of the ancillary staff required for boarding facilities. Parents, in their planning evercise, need to keep this fact very much in line. If inflation averages only 10 per cent per annum, then fees will double in just over seven years.

The message at this stage to parents is that funding for school fees in many cases is going to mean financial hardship and sacrifices. It will be no use to put aside £20 a month. Parents will need to consider the use of all available resources—paying the fees out of current income, saving ahead from current income and making use of any capital available. All this has to be done in conjunction with other financial commitments, such as paying off the house mortgage.

Earmarked

Many couples can do no more than make token savings ahead of the time the children go to school. If they want private education they are forced to pay out of current income. Leading school fee specialists C. Howard and Partners, in a survey of clients two years ago, revealed that many families went to considerable lengths to boost the family income to pay the fees. Mainly the wife went out to work, with her salary earmarked solely to meet fees. Other sources of extra income were taking in lodgers, the husband doing a second job, moving to a smaller house.

This approach is probably feasible if only one child is being educated. Even so it needs to approached with caution. Earnings patterns have changed considerably over the past decade, with some white-collar and managerial grades losing out in real terms. This seems to be correcting itself, but one should be careful in relying on current earnings levels being maintained in the future. An acceptable fees burden at the outset may prove intolerable over the final year.

The prudent course is to start saving well before the child starts school so as to cushion the burden when the fees become payable. If there is more than one child involved, such savings are absolutely necessary, especially if the children's ages are close.

There are a variety of savings plans available which can be tailored to individual circumstances. If the parents start saving early enough, when there is at least 10 years before fees are required, then the amin savings vehicle are endowment assurance contracts — either with-profit or unit-linked. These offer two advantages. The parents get a tax credit boost to the benefits from the relief granted on life assurance premiums. Just as important, the sums paid on the policies are free of higher rate tax.

The usual form of the scheme is to put together a series of policies that mature or are cashed-in in successive years to meet the fees. There can be variations on this theme so that the cost starts at a comparatively low level and rises during the term of the policy. This can have two functions. First, the cost of paying the premiums on the scheme rises as the parents' earnings improve, thus avoiding too onerous a burden at the outset. Secondly, it ensures that the premiums in the early years keep to the limits within which the tax credit is paid.

Endowment assurance contracts can still be used even if there are less than 10 years before the fees bcome due. But the advantages ar not so grat. Providin gthe policy remains in force for at least four years, then the tax credit benefit is not "clawed-back." But the plan could suffer from the surrender penalties imposed by life companies and the profit on the cashed-in sums are liable for higher rate tax.

The school fee specialists make considerable use of the building society-linked life contracts, which under current interest rates offer a very good return over four years. But building society rates are volatile and parents in their planning should use a conservative estimate of future rates.

Alternatively, defrred annuity contracts, though not qualifying for the ta xcredit, offer very high returns at present. The School Fees Insurance Agency tends to favour the use of such contracts when fees are needed in a few years. Rates are currently at their highest levels ever.

There are several schemes using capital sums to meet fees due some time in the future. C. Howard and the School Fees Insurance Agency both have capital schemes, classed as charities, that offer positive tax advantages to parents using deferred annuities as the savings vehicle.

But in many cases one can consider other savings media besides life assurance contracts. The index-linked SAYE offers inflation-proof regular savings. The highly successful 19th issue of National Savings Certificates gives a high return to the higher rate taxpayers.

Some schools have a facility for parents to pay lump sums in advance of the child going to school and these offset some or all of the fees. But parents need to check that the return compares favourably with that offered by other investment media.

In many cases grandparents and other relatives help out in the payment of school fees. The Howard survey showed that one in five of its clients received help from other members of the family. With the abolition of child tax allowance relatives are able to make gifts to children carrying positive tax benefits.

Covenant

With a covenant from a relative, the child can reclaim the basic rate tax on payments being made, since these are regarded as the child's income and the single person's tax allowance applies. Thus each £100 covenanted is deemed to be the net payment to the child who can then reclaim £42.85 from the Revenue. For each £100 given by the relative the child receives £142.85, up to the single person's allowance of £1,375, provided the child has no other income.

The favourable tax treatment applies to all covenants, except payments from parents to vchildren. It adds a new dimension to school fee payment. Grandparents helping out with fee payments should make maximum use of covenants.

Finally, parents can investigate the possibilities of help from the schools themselves, through scholarships for the bright child and from bursaries.

The need for expert guidance is paramount. There are certain life companies and insurance brokers which specialise tot a high degree in school fee planning. The service provided includes interviewing each client, ascertaining their resources and designing a scheme to meet their requirements. Above all, all plans are regularly reviewed.

Parents wishing further information can get two leaflets from ISIS, one on grants and the other on planning, with a list of advertiers. Details can be obtained from Mrs. Ray, ISIS, 26 Caxton Street, London SW1H 0RG (enclosing the cost of first class postage).

The stages from youth to age

BY ERIC SHORT

IF YOU have been reading this survey expecting to find an intsant solution to your investment problems, your life assurance requirements or even how to get rich quick, then you are likely to be disappointed. Each individual needs a separate survey covering his or her on particular needs and requirements and taking into account personality and resources.

But a survey can discuss personal financial planning in general terms, considering the factors that need to be taken into account and highlighting their effects on individuals. It can also survey the various investment media and life assurance contracts on the market, explaining how they can be used in varying circumstances.

Each person has his own requirements in savings. He may want to accumulate capital with a minimum amount of risk. He may need to supplement his income in a manner that will keep pace with inflation. He may simply want to put aside some money for a rainy day. In any financial planning exercise it is important that the investor knows precisely what he is aiming for and should then consider the investment vehicles that can achieve these objectives.

But all too often the individual has only the vaguest idea of what he needs, though usually a much clearer idea of what he wants. In any planning exercise the difference between needs and wants should be spelled out and it is then up to the individual to decide which has priority.

Generally speaking the financial needs of an individual, and his resources to meet those needs, change with age—what has been dubbed "the seven ages of the investor."

Children have no one financially dependant upon them. Thus any money they acquire can be invested to produce a capital sum ready for when they go uot into the world. The usual source of such income comes from helpful relatives. The investment will be made by the parents on behalf of their children and this tends to introduce a degree of caution not seen when the parent is investing his own money.

The ending of the child tax allowance gives favourable opportunities for grandparents and othe relatives to covenant regular payments to children; the child is able to reclaim the tax on these payments. Unless the child's overall income exceeds the single person's tax allowance the child will not be paying tax. Thus he needs to invest the money in a gross fund to get the maximum return. The Budget changes make unit trusts an even more attractive vehicle for children's savings.

Yet insurance brokers, with one eye on the commission, recommend the schemes launched by life companies, even though investment is in a net fund with no chance of the child reclaiming tax on the investment. However, once the child reaches the age of 12, he or she becomes eligible for the tax credit on life assurance premiums. So investment in a life policy as the child approaches his or her teens is desirable, not because the child needs life cover, but because the tax credit gives life assurance a definite edge over other forms of investment.

The need to accumulate capital is still paramount when the child is at university or starts working. Nevertheless, many brokers solicit business from university students on the basis of a life policy with a high degree of life cover that can be converted into a savings policy at a later date. Commission tends to play an important role in the type of advice given. There is no commission paid for advising a student to save with a building society so that he will be ready to buy a house when he starts work.

Financial planning starts in earnest once a couple get married, wish to buy a house and start a family. The requirements change virtually overnight and protection against death and disability become all important.

It is unlikely that a young couple with a family will have the necessary resources to spare for savings after meeting the mortgage repayments and life assurance commitments. Nevertheless, some couples want their children to be educated privately. Other savings media will depend on the reason for saving. If one is saving for a holiday, then one needs the cash to be readily available and a building society investment fits the requirements.

Once the family starts growing up and the wife returns to work, more emphasis can be placed on savings in the financial planning of individuals. The need for life cover is still strong but not overwhelming. At this stage in life, in general from the late 30s, one can review the prospects of the various forms of saving available. The desire is to accumulate some capital and to preserve it against the ravages of inflation. But one needs to remember that the most important considerations in choosing a particular savings scheme is its tax efficiency in relation to the investor's own tax situation.

Once the children have grown up, but before the parents retirement, a new factor enters into the financial planning scene. The investor needs to consider whether to make use of the annual exemptions in passing assets. He also needs to start thinking as to whether his pension will be sufficient on retirement while there is still time to do something about it.

Once a person or a couple retires, then the investment scenario changes yet again. The priorities are ensuring that one has a sufficient income to live on and passing on capital to one's children. The need to accumulate further capital is over, the main beneficiary will be the Inland Revenue.

If one has adequately planned one's financial needs throughout one's life, then there should be an adequate pension in retirement. Unfortunately, things never work out like that for many people and they have little more than the State pension and the house they live in.

So any capital available needs to produce as much income as possible and at the same time this income needs to rise with inflation. This leods to a conflict of interest ,since the investments that produce the highest levels of immediate income do not protect that income against inflation. More attention is now being paid o. designing investment schemes to meet the need of persons to supplement their income.

By this stage in life, one's house, free of mortgage repayments, is the most valuable possession, with that value steadily keeping pace with inflation. Yet it does not produce any income. There are, however, two life companies that market schemes which enable such persons to get an income on the security of their house. It seems somewhat ironical that at one stage in his life the individual is planning how to acquire and pay for owning a house, then at the final stage he is planning how to realise that asset.

BOOKS for children and young people

Stuck in spaghetti

BY RACHEL BILLINGTON

Every mother (or perhaps I should say parent) has an image of herself sitting reading aloud with an arm round an enthralled child. It is a romantic image based on the reality that, apart from meal-times, it is probably the only time when the child is willingly taking in what the parent has to offer.

Luckily there is never a shortage of well illustrated and original books as likely to appeal to the adult as the young child. **Cloudy with a Chance of Meatballs** by Judi and Ron Barrett (Gollanz, £3.50) is very well-illustrated, very original and very funny. As seven-year-old Rose described it, 'The story is all about a land which is different from all other lands. It doesn't rain rain, it rains food. Then it gets more frightening. The food grows enormous and squashes the people. Spaghetti squashes a man and a hamburger squashes a boy.'

Miserable Aunt Bertha by John Lord and Fay Maschler (Jonathan Cape, £3.50) is written in verse, a jolly rhyming sort for which Ms. Macshler takes the credit. It also is very funny, proving the point that children appreciate wit as much as any adult. In brief, miserable Aunt Bertha's nephew Bill, comes to visit and makes it his mission to make her happy. The pictures are full and colourful and on occasions appropriately threatening. Aunt Bertha, until the end, is the aunt of nightmares rather than happy holidays.

Mister Magnolia by Quentin Blake (Jonathan Cape, £3.50) is also in verse and basically provides a vehicle for Mr. Blake's inventive drawings. Not perhaps substantial enough for everyone's tastes. **The Treasure-hunting Trip** by Janosch (Anderson Press London/Hutchinson of Australia, £3.50) translated by Anthea Bell manages to fit in a lot of story and a lot of picture in a modest-sized book. Little Bear and Little Tiger who have the appeal of much-used cuddly toys, meet all kinds of weird characters and use a nice dead-pan dialogue:

'Why are you walking all bent over, Tiger:' asked Little Bear.

'Because I'm so unhappy,' said Little Tiger. 'Because we haven't found any treasure.'

Diana and Her Rhinoceros by the late Edward Ardizzone (Bodley Head £3.25) is a reprint of one of Ardizzone's most loved books and although the story does not develop much beyond the shock value of a rhinoceros as a household pet, the illustrations are among his best. **The Home** by Philippe Dumas (J. M. Dent and Sons, £4.50) is the surrealistic account of a boy's visit to a house where his schoolfriend lies sick in bed. 'The refrigerator opened on to a corner of the North Pole' describes a picture of a fridge filled with a seal, penguins and half a dozen polar bears.

Reading aloud has only one real problem: the developing family. A book suitable for subduing a three-year-old may well alienate a six-year-old. Depending on fertility rate, the romantic ten-minute read aloud can extend to a trying hour or more (unless you take the strong-minded mother's view that Dickens is appropriate from cradle to grave). It's time to take away the cuddle, and substitute the cosy bed and bedside light; time for the 'do it yourself.' The read aloud becomes a privilege rather than a right. But the sensitive moment of changeover must be carefully managed so that all those years of enthralled listening aren't wiped out but in one 'boring' half-hour. Books that break down into separate adventures or at least clearly defined chapter subjects are best.

The Pochetto Coat by Ted Greenwood and Ron Brooks (Hutchinson, £3.25, 71 pages) is a strange series of fable-like stories about the clown, Pochetto, who has changed character over the years to become in this volume, Patrick, the drunken old circus clown. He tells the history of all the others to a lonely little girl called Sam. **The Fattest Dwarf of Nosegay** is by the Dutch writer, Paul Biegel, illustrated by Babs Van Wely and translated by Patricia Crampton (Blackie £3.95, 128 pages) Nosegay undergoes hair-raising adventures in search of a mirror which will explain why everyone comments (rudely) on his shape. Another exciting but not too difficult story by Mr. Biegel is **The Little Captain and the Pirate Treasure** illustrated by Carl Hollander and again pithily translated by Patricia Crampton (Dent, £4.95 128 pages). This is the third book about the captain and the crew of the steamship, 'Neversink.' Podgy Plum, Marinka and Timid Thomas face the perils of the Boiling Sea, the Slippery Slitherberg and the pirate Scurvyboots.

Confident readers will want to move on to longer, more free-flowing stories. **The Land Where Serpents Rule** by Samantha Lee (Arlington Books, £3.95. 144 pages), the second of the "Lightbringer Trilogy" manages the right mix of magic and thrills. Owen Lightbringer with his one golden arm may be son of the sun but his behaviour is human enough to keep any nine-year-old agog. The writing, perhaps too rich for adult tastes, clearly gets children where it wants them. The Serpent-Priest is one of the many excellent villains: "Who dares interrupt the ritual?" he hissed. His voice, menacing and malignant, oozed round the columns like fermenting treacle.'

Seal Secret by Aidan Chambers (Bodley Head, £3.25. 116 pages) is a more ordinary story about William who goes on holiday to Wales with his friends and finds himself involved in an adventure. More appealing, perhaps, to those who like reading about the possible.

Holding on to the reading habit against discos and teenage fads is the last parental battle. **A Valley Full of Thieves** by Chris Hawes (Macmillan, £3.50. 126 pages) is a powerfully written nightmarish story aimed at the older teenage market. Even so I would only recommend it for those with a very stable temperament. It kept me awake for hours. There has been a country-wide battle between People and King. Seventeen-year-old orphans Anya and her little brother Davyd find themselves caught in the struggles and desolation that follow. **A Star for the Latecomer** by Bonnie and Paul Zindel (Bodley Head. A Book for New Adults, £3.95. 186 pages) is more obviously aimed at teenagers. It describes a year in the life of sixteen-year-old Brooke Hillary during which her mother dies of cancer. Though it reaches no great depths of literature, it just about earns the right to such a serious subject matter and the incidental young love affair is well-handled.

Anthony Curtis will review "Somerset Maugham" by Ted Morgan and "The Scandal of Syrie Maugham" by Gerald McKnight in next week's Books Page

Mr. Biff & Co. arrive

BY WILLIAM PACKER

Children's books are all but impossible to assess with any reasonable, adult fairness, for there are no clear academic or aesthetic criteria to set against them; and children are inclined in any case to ignore such niceties, often with perfect justice. Looking on, we can only summon in aid our present instinct, and remembered preferences. For the adult view of what is good for the child is not necessarily one shared by the young consumer.

Prescriptive approval is a dubious accolade; and the great classics of children's literature must be left to look after themselves, confirmed only by trial and error and eventual common consent. No matter how well produced the book might be, nor how admirably sophisticated the illustrations, and morally sound the story, the final judgement is the child's own.

One of the trickiest of customers, and also one of the most conspicuously over-supplied, for all the obvious do-it-yourself reasons, is the learner-reader. Janet and Allen Ahlberg have now added to that extensive library with the first six of a new series that is called quite simply **Happy Families** (Kestrel hardback, Puffin paperback; £1.95 apiece); and though they conform to no formal teaching system, these books are suitably straight-forward and practical, brightly illustrated, cheerfully told and great fun.

The adventures themselves are satisfyingly robust and simple: Miss Josie Jump the Jockey wins the Big Race, of course, and Mrs. Plug the Plumber, not forgetting Mr. Plug, her Mate, saves the ship with her timely metal patchwork; Mr. Biff the Boxer biffs and bops his rival, Mr. Bop into mutual exhaustion and lasting friendship; Mrs. Wobble the Waitress drops her way to a crashing success; and so on and, no doubt, on. The stories are by Mr. Ahlberg, the illustrations severally by Janet Ahlberg, André Amstutz and Joe Wright, all full of detail and very funny. Certainly my own daughters thought them all extremely successful productions.

Rather more mixed a bunch of titles aimed at more or less the same age-group has just been published by Julia MacRae Books. **Alfred's Alphabet Walk** by Victoria Chess (£3.75) is exactly what the title suggests, an alphabet book, the idea simple and effective enough. Alfred, a somewhat unspecific rodent, runs away from his lesson only to find his way through his letters, and through the day, by the animals he meets, all the way from the Ancient Alligators and the Brown Bats, to the Wolf, the Yak and the Zoril. Miss Chess's illustrations are imaginative and decorative and full of incident, the vocabulary she employs well chosen to extend the brighter infant.

A Treeful of Pigs by Agita and Arnold Lobel (£3.50) is in its modest way the most traditional of these books, a genial morality tale of the indolent slug-a-bed farmer and his long-suffering but resourceful wife. The whole format, but Mrs. Lobel's illustrations in particular, is redolent of the Victorian fairly-tale book, at once improving, amusing and highly decorative.

Look What I've Got by Anthony Browne (£3.95), on the other hand, is far less happy a morality, well-meant no doubt, but rather heavy-handed and sanctimonious a cautionary tale Sam and Jeremy, the one apparently deprived but well disposed, the other over-privileged, spoilt and selfish. The illustrations put over the message effectively.

The last book, in this Julia MacRae books series, **The Fisherman's Son** by Moira Ginsburg and Ton Chen (£3.95), is meant for the slightly older child, the text longer and requiring a certain confidence. It is a simple fairly story of a young man who wins the hand of the fair maiden through the timely and magical intervention of his animal friends; pretty enough in itself, but dull visually, for the illustrator has sacrificed decoration and wit to a flat and rather style-less realism.

SF-gnomes and warriors

BY RAY LARSEN

The Fellowship of the Talisman by Clifford D. Simak, Sidg- and Jackson, £5.95, 346 pages

Clifford Simak's prolific writing career spans nearly half a century, his first story appearin in 1931 for Hugo Gernsback, one of the legendary founding fathers of SF. In recent years his work has tended towards pure fantasy and in this novel he casts aside hard sience entirely.

The story is set in a 20th Century Europe which has never emerged from the Dark Ages and where Christianity withered after the first crusade. Two warriors, joined by the odd gnome and friendly witch, make their way to Oxford in the hope of authenticating a strange manuscript which gives an eye-witness account of the life of Christ. The aim of their mission is to revitalise Christian civilasation.

Parallels will inevitably be drawn with The Lord of the Rings. But although Simak's story is conceived on a more modest scale than Tolkein's epic it stands in its own right as a gripping and moving saga.

The Luck Machine by E. C. Tubb. Dennis Dobson, £4.95. 188 pages

Theoretical physics has now reached such an advanced stage that anything seems possible no matter how surrealistic. If familiar forces such as electromagnetism and gravity are so mysterious then what is so fantastic about considering luck as a separate physical entity in its own right?

E. C. Tubb has great fun with this notion pursued to its ultimate conclusion. The story is based on a central paradox. Once the wrong man gets his hand on the luck machine it is impossible to get it away from him. As he has cornered all the luck his opponents must by definition be unlucky. This entertaining yarn is set against the background of a truly frightful private boys' school. The penny-pinching headmaster and the ghastly cooking will no doubt bring back memories for some readers.

Does Anyone Else Have Something Further To Add? by R. A. Lefferty. Dobson, £5.25. 273 pages

Lafferty is the joker in the SF pack. Like Salvador Dali in art, he uses shock treatment to jolt us out of our preconceptions. A friendly puppy jumps up to greet its master and is sent flying with a kick. A dear old lady has her crutches knocked away. It is an elaborate ploy to keep the angriest man in the world in a perpetual fury so that his body continues to generate a rare serum which creates geniuses. The difficulties start when he becomes just another nice chap and the scientists have to find a replacement. This collection of short stories underlines Lafferty's reputation as one of the most unpredictable writes in the genre.

William Stobbs's illustration for 'The Camel Gets his own Back' in 'The Ivory City and other stories' by Marcus Crouch

Hazy boundaries

BY KATE MORRISON

What sort of books do children really like and what books do their parents like to buy for them? Classic tales such as those from Dickens or Robert Louis Stevenson or the easily digestible Enid Blyton? Here are some new books that might cater for a variety of tastes.

Schoolin's Log by Llewelyn Jones (Michael Joseph, £6.25), 224 pages was probably not written specially for the young but it skirts the hazy boundary between adult and children's literature. Llewelyn Jones progresses from season to season; the events of a rural village are so full of humour, the depth of his character observation so great, that one soon realises that the author is personally involved in the story. Who could tell, with such delicious flavour, of the stealth of several small boys as they surreptiously boil eggs stolen from birds' nests, had he not experienced a similar escapade? "Them heggs was too rich. He'll need senna pods" was the deserved result. Mr. Jones's feeling for nature, his sensitive description of the birth of a foal, and his lively reconstruction of school life should appeal to a wide age group.

The Magicians of Caprona by Diana Wynne-Jones (Macmillan £4.95, 223 pages), and **The Letter, The Witch and The Ring** by John Bellairs (Hutchinson, £4.50, 188 pages) are two tales of magic. The first is set in Italy amidst the colour and clamour of a large family. The two leading families of the state of Caprona possess powers for spell-making which are used to uphold their land from attack. Unfortunately, in Montague/Capulet style, animosity exists between them. While they waste precious spells on each other Caprona begins to fall. It takes insecure Tonino with his cat, and Renata from the opposing clan to realise the situation and save Caprona so bringing a reconciliation between the two rivals.

John Bellairs' story is set in America. Straggly-haired, bespectacled Rose Rita Pottinger also suffers from feelings of inadequacy. Her feelings, unlike Tonino's are of adolescent awkwardness. "Skirts, nylons, etc., were all waiting for her in Junior High." Mercifully, however, she abandons these when she takes off in search of a magic ring with sensible Mrs. Zimmerman, who, nevertheless is a witch. After experiencing life, or at any rate the supernatural, in the course of her activities, she returns home in a less turbulent frame of mind.

India is the setting for Marcus Crouch's **The Ivory City**, (Pelham Books, £4.95, 174 pages). It has an authentic introduction. In the cool of the evening a poor bazaar boy entertains his village from a hoard of fantasy tales. The themes are simple, moral ones, and the characters reap their just rewards. There is often something of the Grimms or Hans Andersen about them, and perhaps because of the Eastern influence there is an element of cruelty.

An Eastern beggar boy is also the subject of Freda Bloomfield's **The Dragon Paths** (Eel Pie Publications' £4.95, 160 pages). With compelling style she describes how Tomi, in his efforts to support his deserted mother, escorts two strangers to the land of the dragons. The tale is about a fascinating journey and a discovery.

Patricia Gray's **Come Back Stork**. Blackie (£3.25, 91 pages) is descriptive of the Dutch countryside. Five-year-old Marieka finds herself acting as a foster-mother to a baby stork which has fallen from its nest.

Finally, an incentive for children of an even more tender reading age, are the adventures of Rabbit, his friends and long-suffering grandmother. **Oh Really, Rabbit!** by Ruth Manning-Sanders, (Methuen, £2.95, 93 pages) is equally suitable for reading aloud. The 15 short stories have clear light-hearted illustrations.

Answering Alice

BY VALERY McCONNELL

In **Alice in Wonderland** Alice asks, "what is the use of a book?" Surely, that it succeeds in conveying whatever matter it is trying to put across. And children's books are most successful when they are grounded in a child's perception of the world, whether the vista is fantastic, historic or the here-and-now.

Learning to cope with the uncongenial is a theme which runs through this current crop of childrens books. **Martin Bosey** by Joyce Rathbone (Cape, £3.75 120 pages) focuses on one boy's struggle to come to terms with living with his unmarried aunt after the death of his parents. All the characters are well drawn, with both of the main ones having unlovable sides to their personalities. Because of the book's psychological accuracy, it maintains its credibility right through to a believable happy ending. It is a well thought-out story of family relationships.

Joan Aiken's **The Shadow Guests** (Cape £3.95, 169 pages) deals with Cosmo Curtoys involvement in supernatural forces in the form of a horrific family curse. Cosmo seems to display an above average courage in his ghostly encounters; the story is vividly written and maintains its compulsiveness throughout. The ending is left open, which fits with the tone of the book—provoking questions rather than providing answers.

Another book packed with ideas is Jean Morris's **The Path of the Dragons** (Hutchinson £4.50, 160 pages). It is an interesting reinterpretation of several familiar Greek myths, but for children not familiar with Greek mythology it will still work as an imaginative adventure story.

By contrast, **Girl on a Gondola** by Diana Doubtfire (Macmillan, in their Topliner Trident series, £3.50, 95 pages), is a straightforward tale. The author has just written a book on the craft of novel-writing and an air of the assembly-kit is all too evident here. Written for teenagers, it is a routine holiday adventure set in romantic Venice. The characters are two dimensional, the happy ending never in doubt: details of dress and a holiday flirtation are included to lure teenagers to keep on reading.

Also aimed at the older end of the market is **The Green Bough of Liberty**, by David Rees (Denis Dobson, £3.05, 176 pages). Set in County Wicklow in 1798, during the ill-fated uprising, it follows the fortunes of the Byrne family through the troubles, relating in quite graphic detail the unique squalor and ugliness of civil war. Unlike the other books in this review, there is no child at the centre of the action and although the book is dramatically and vividly written, there is a question as to how much children can become involved with the book's essentially adult preoccupations.

Wartime England is the setting for **The Last Run** by Pat Barton (Blackie, £3.95, 110 pages). Here the hero is an eight-year-old boy, Joe, who comes face to face with the second world war in the shape of an escaped PoW. That the face turns out to be tired, hungry and even quite likeable, is the theme of the book. In a simple way the book is exploring the nature of propaganda.

True grit

BY C. P. SNOW

Held Fast England: G. A. Henty, Imperialist Boys' Writer
by Guy Arnold. Hamish Hamilton. £8.95. 195 pages

G. A. Henty—a biography of the romancer of the Empire is reviewed today

Between the ages of seven and ten I read as many Henty novels as I could get hold of. I revelled in them. Without realising it, I was imbibing quite a lot of history, and as I later discovered surprisingly accurate history. More important, the books made me feel brave. Most spirited children like to feel that they could be brave, though as they grow up their hopes in that direction may be disappointed. It is good to have writers like Henty who celebrate the primary emotions. Except for a few heroes courage doesn't come altogether naturally, but, as the late Lord Moran taught us, it can be encouraged and trained.

Writers such as Kipling who was a literary genius, and Henty who wasn't, got a response when their country was somewhere near the peak of its power. It is interesting to study the perfectly genuine Russian admiration and affection for Kipling, long passages from whom many students know by heart.

Mr. Guy Arnold's life of Henty has a good deal of merit. The writing is both lively and unaffected. He seems to have explored such sources about Henty as are preserved — not very many, but Arnold is able to make good use of Henty's career as a war-correspondent. He spent 20 years covering the minor but often savage wars that Britain kept walking into in the 1860s and 1870s all over the world.

Henty was a very good war correspondent, and learned a lot about men in action and the faces of danger. When he took to novel writing in middle age, that first-hand knowledge gave the smell of authenticity to his battle scenes—and redeemed the books, at least partially, from the cut-and-dried psychology (though imagined psychology would have been much worse, and usually false).

The blemish in Arnold's work is neatly demonstrated in his sub-title—"Imperialist boy's writer." Of course Henty was an imperialist. So were most middle-class Englishmen of his kind, including many intellectuals, Fabians thrown in. It was a natural response to the national security, and it shows a lack of historical sense to expect anything different, or to regard it with a tinge of implied blame. We are all children of our time, and that is true of dissidents (as in the Bloomsbury enclave) as of those who were singing in the general unison.

In many ways Henty's books show a kind of racial tolerance that wasn't in unison with majority singing. He believed in the Empire, certainly: he had an acute feeling for hierarchy, and had his class partiality much more highly developed than his racial one. It was perfectly proper in the Henty world for gentlemanly, if impoverished, young English adventurers to love and marry girls of any race and colour provided that the girls were high enough born. That would have seemed a heresy in the circles Henty lived with, and for whose children he wrote.

In private, he appears to have had some mysterious discreet arrangements, but was an honourable and upright man. Trollope, who could have known him, would have understood him. Trollope might have been puzzled, however, that Henty with a gigantic readership didn't make more money.

Adult fiction

Love thy neighbour

BY ISOBEL MURRAY

Desirable Residence
by Lettice Cooper. Victor Gollancz. £5.50, 181 pages

Another Beginning
by Sian James. Collins. £5.95. 209 pages

The Marchand Woman
by John Ives. Macmillan. £5.95. 245 pages

The Resort
by Sol Stein. Collins. £6.25. 300 pages

Lettice Cooper's *Desirable Residence* is a gentle and compassionate novel whose impact is nonetheless decidely bleak. A young couple with a new baby arrive to squat in a large groundfloor flat. They do not know what else to do: life with Dennis's mother has become intolerable, and Polly is sure that when they are evicted with media coverage the long-promised council flat will be secured.

Innocents abroad then, on the groundfloor. At the top, a very old retired teacher who values her books and possessions so much that she dreads the possibility of a small council flat, although the stairs are too much for her. Hilda is kindly to the squatters.

In between, the Blackstone family; Oliver, middle-aged advertising executive, who wants to call the authorities and have the squatters evicted; his wife Judith, secretly desperately in lover with her socially-caring boss; Tasmine, the schoolgirl daughter, full of excitement, who can do a school project on squatting next term and meanwhile enjoys almost all that happens; and Simon, nearly a qualified teacher who shocks his parents by deciding to leave college and join a charity organisation called the Simple Careers, but who is unable through his own awkwardness and self-consciousness even to talk to his new neighbours.

The book can be read, as the jacket suggests, as "a delightfully human comedy," but Lettice Copper is very level-headed about the lack of answers in the book. How is anyone supposed to love his neighbour? No one here, except perhaps old Hilda, begins to know. The young squatters are joined and terrorised by a crooked and unpleasant gang of four: Oliver faces a blank future, deprived of the job he hardly enjoys: Judith is disillusioned about the charismatic qualities of her Emmanuel just as Simon is rejected by Aubrey of the *Simple Careers*.

The book ends in considerable drama, and the most pressingly immediate demands of love are met, in some cases ironically so, but the questions raised by this finely written, gently insistent book remain. A very accomplished novel.

Even more than *Desirable Residence*, Sian James's *Another Beginning* deals with the everyday, the predictable. It goes further: Sian James advances consciously and determinedly into a monster cliché of a situation, where deserted wife and mother of two, Meg (31), meets young and vital student, Ben (22), and discovers, she says, the meaning of love for the first time.

Miraculously, the novel more or less survives the cliché, because of the plain, straightforward strength of the writing. Meg is a credible character who is all too aware of the absurdity of her situation. The affair with Ben will of its nature be short, and will waken her to agonies and anguish as well as splendours and ecstasies.

The other characters are less vivdly present. Ben is a warm shadow; Alan the ex-husband a silhouette; Mark the extra man a non-event. Only Frances, the flamboyant next door neighbour feminist, sleeper around, Ben—, Alan-and Mark-fancier, is fully presented and really interesting. Again the story is removed from the everyday by a dramatic action-here Alan tries to kidnap his two daughters from Meg—but the resolution has to be in Meg's letting go of Ben, and in her determination to make this too not an unhappy ending but "another beginning." An interesting novel that hovers dangerously near the banal.

With John Ives' *The Marchand Woman* we move to a world of thriller adventure. The basic situation is the accidental kidnapping of an American Peace Corps youth along with the American Ambassador by a bunch of anti-Castro Cuban exiles. The boy is killed, and the game inevitably changed.

Carole Marchand, the boy's mother, hires a mercenary to help her find vengeance. The American Intelligence agencies are less than helpful, because, well, anyone who is anti-Castro can't be all bad. But one Intelligence agent whose girl-friend was killed remains with them.

On the other side we see the guerrillas. We see how little faith their general has in the whole affair, and how the deaths are caused by one arrogant youth, grandson of the old anti-Castro leader. As is only proper, the goodies learn the vanity of vengeance, and the good baddies get another chance.

Sol Stein's *The Resort* is another of his sensational novels. The last one was about rape. This one is about a resort where a wealthy American carries on the work Hitler left incomplete and endeavours to eliminate as many as possible of America's prosperous Jews. Happily, it is not quite credible, although arguably it makes a "rattling good yarn." It makes the most of all the excitement, fear and suspense inherent in the situation.

Crime

With No Crying by Celia Fremlin. Gollancz. £4.50, 157 pages.

Poor Miranda, barely fifteen and—thanks to an unforeseen event at the school dance—pregnant. Celia Fremlin, a grandmother herself, obviously knows and understands the young, and her Miranda, whose behaviour becomes somewhat unsettled, is totally convincing and also appealing. The author does not condone foolishness, still less crime, but she makes them comprehensive. Though Miranda is a firmly-drawn character, she is not the most interesting: even more entertaining and compelling are her properly modern parents and, opposed to them, the squatters with whom Miranda throws in her lot for a time. A gin-befuddled next-door neighbour is also a welcome addition to the cast. Mrs. Fremlin is one of the few thriller writers who handles short stories successfully; this book, though it runs to novella length, has the same terse economy and high polish of the stories.

WILLIAM WEAVER

PROPERTY

Lure of the great abroad

BY JUNE FIELD

WITH a recent report from the Housebuilders' Federation disclosing a drop in demand for housing in Britain, and estate agents round the country referring to business generally as "slow," "patchy" and "only just beginning to tick over," some British estate agents are forging now links with developers abroad in a hope of increasing turnover.

A Yorkshire-based firm of chartered surveyors and estate agents has just returned from the old harbour town of Denia on Spain's Costa Blanca, after arranging a tie-up with a building company, *Construcciones Hispano-Germanos*. Hepper Watson, 18/24 New Station Road, Boar Lane, Leeds (0532 442020), will be promoting villas among the orange and almond groves from £35,000 to £80,000.

A west country agent signed a representation agreement this week for part of the Canadian complex, Villacana, a sea-front development near Estepona on the Costa del Sol offering quality "town houses" from £25,000.

Details Mr. David Harvey, Hartnell Taylor Cook, 20 The Mall, Clifton, Bristol (0272 39061), or at their stand at the Homes Overseas Exhibition, Grand Hotel, Broad Street, Bristol, 2 pm-9 pm Tuesday, 11 am to 9 pm Wednesday and Thursday.

There is a British connection too, on Lanzarote in the Canary Islands, wher I went last week. Oasis San Antono, directly opposite the four-start beach-side Hotel San Antonio, is a pleasant small complex of 17 two-bedroom apartments round a swimming-pool, just developed by Lanzaisis S.A., a subsidiary of Hocasa, which in turn is part of the British and Commonwealth Shipping Co.

The smart fully-furnished apartments are selling from about £19,000 complete, through Mr. Peter Rogers, a British chartered surveyor who runs Property Managers S.A., in Playa de los Pocillos, Lanzarote.

Contact him at the Homes and Travel Abroad International Property Exhibition at the Cumberland Hotel, Marble Arch, London, W. The exhibition is open Thursday 1 pm-8 pm, Friday 11 am-8 pm, and Saturday 10 am-4 pm.

Available at the Homes Abroad exhibition is an indispensable new book, *Living In Spain Today* by John Reay Smith (Robert Hale, £6.25), which does not go on general sale until May 8. The author, a solicitor from the north of England who went to live in Spain, explains the intricacies of buying property, plus the problems of Spanish law and exchange controls.

There is still a considerable demand for buying "somewhere different" overseas. After my Dordogne property article, agent Mr. Nicholas Brimblecombe told me: "The current interest in buying an older property in rural France appears to be greater than I can remember even during the 'boom' year of 1973."

The range of inquiries he received were not only in Britain, but from America, Hong-Kong and the Middle East. Contact him at Sutton, West Sussex (07987 366 and 344).

There is incidentally a new magazine, Resident Abroad, aimed at money management for UK expatriates, which also features buying overseas property. The subscription £17.50 a year. Details Mr. David Young, editor, Resident Abroad, Financial Times Business Publishing, Greystoke Place, Fetter Lane, London EC4 (01-405 6969).

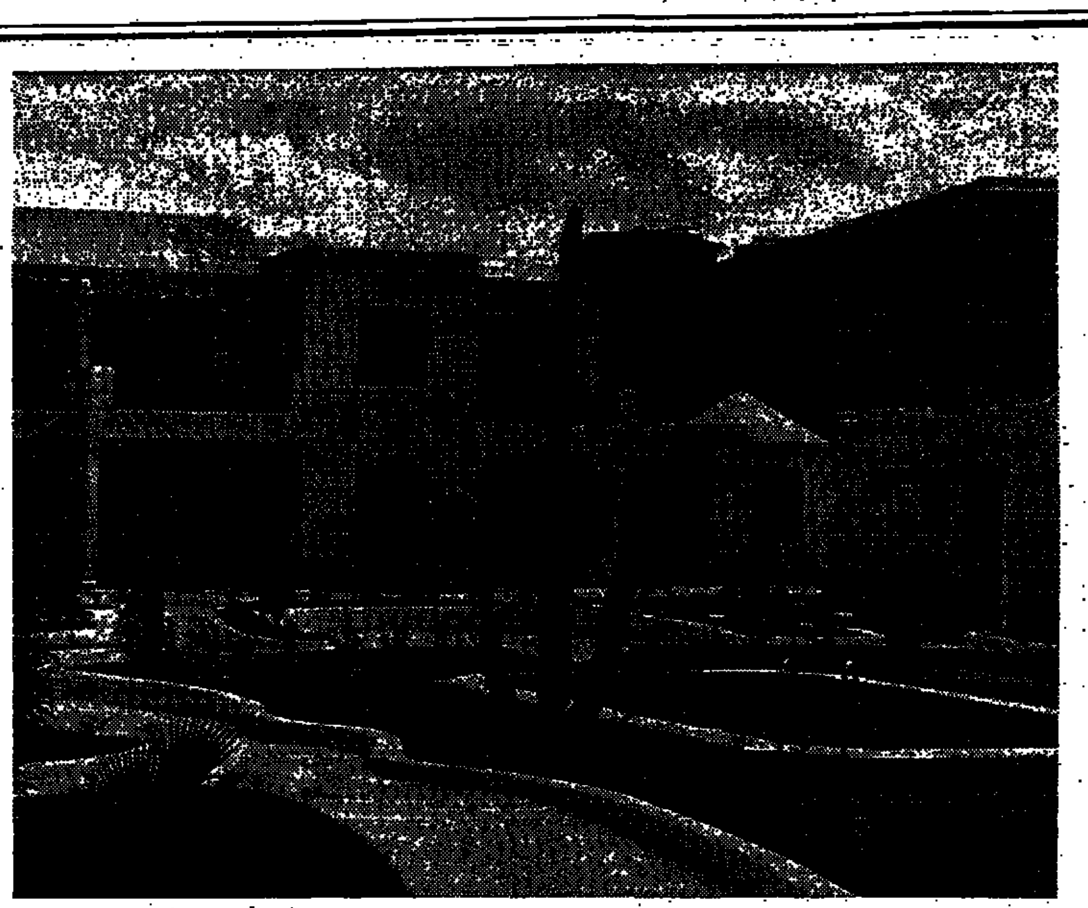
With a strong pound and cheap air fares, over the past year Florida has turned into the promised land as far as the British are concerned. In the sunshine State, where real estate is in somewhat of a slump, there is plenty of property on offer. But there does appear to be considerable confusion regarding visiting, residing and emigrating, claims.

Mr. David Virgo of David Carrick says: "We sell homes to three categories of client, those who want a property to spend a holiday for a period in each year and then to rent their home for the remainder of the time, those who purchase purely for investment, and some who visit Florida for lengthy periods, with the intention of spending as much time as possible there."

For details of accompanied inspection flights, and a portfolio of brochures on property on the East and West coast from around £15,000 to over £60,000, contact Mr. Virgo, David Carrick, Everest, Grosvenor Road, Shaftesbury, Dorset (0747 3723).

Grant and Partners, London surveyors and estate agents and investment development consultants, has just opened an office in Miami where there are plenty of resales, as I found on a recent visit. Gran't portfolio concentrates on well-equipped water-front apartments at Biscayne Cove from $92,000 (£40,000), some in North Miami Beach from $106,000, and others on Turnberry Isle with its golf courses, marinas and tennis courts, from $230,000. Details, plus a Florida fact-sheet, from Mr. Anthony P. Grant, Grant and Partners, 50 Mount Street, London, W.1. (01-491 4120).

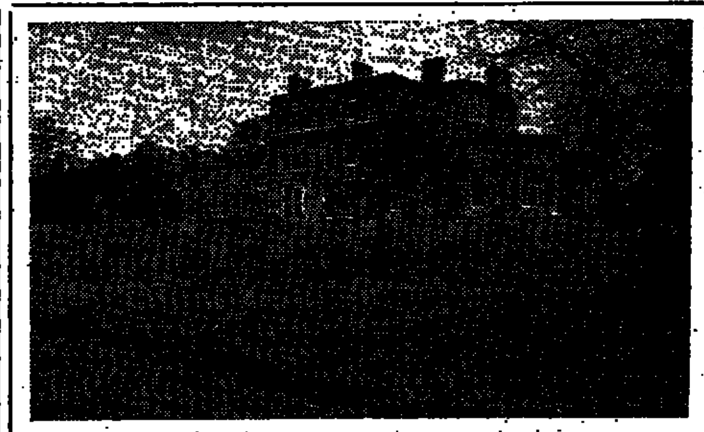
Mr. Tony England, Montpelier International Properties, 17, Montpelier Street, S.W.7 (01-589 3400), says they average abolt six Florida sales a week, with newly-built apartments at The Landings, Fort Myers, a sell-out at $75,000. Next year's release, which can be reserved now, are in the region of $103,000.

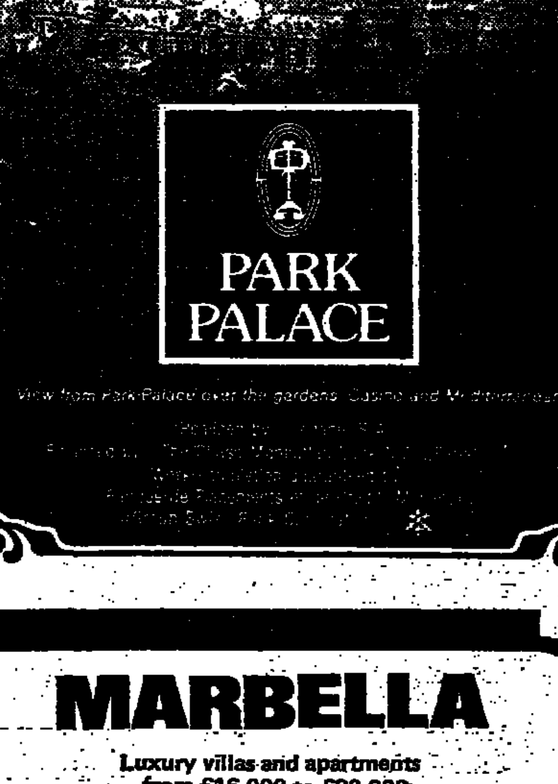


Above left: Oasis San Antonio, attractive apartment complex with swimming pool by the beach in Lanzarote, Canary Islands, developed by Lanzaisis, S.A., patr of The British & Commonwealth Shipping Co. Ltd. The 2-bedroom, fully-furnished apartments are selling from around £19,000, with a rental income. Details Peter Rogers, Property Managers, c/o Lanzarote Villas, 15 East Street, Horsham Surrey, and Playa de los Pocillos, Lanzarote, or Rodney Barr, Lanzaisis, San Antonio Hotel, Lanzarote, Canary Islands.

Above right. Villas for sale by the golf course at Boca Raton, Florida. Enquires Domingo Losa, sales director, Arvida Realty Sales Inc., Boca Raton Hotel and Club, Boca Raton, Florida 33432, U.S.A.

Below. Dalbenden Castle, above the River Urft, in 4 acres in the Eifel district of West Germany, about 10 miles from the Belgian border. The historic 15-bedroom chateau plus 3 cottages, an apartment, workshops, deer park and trout lake, is for sale lock, stock and barrel for around £1,000,000. Brochure from Bill Dixon, Cluttons, 74 Grosvenor Street, London, W.1. (01-491 2768).

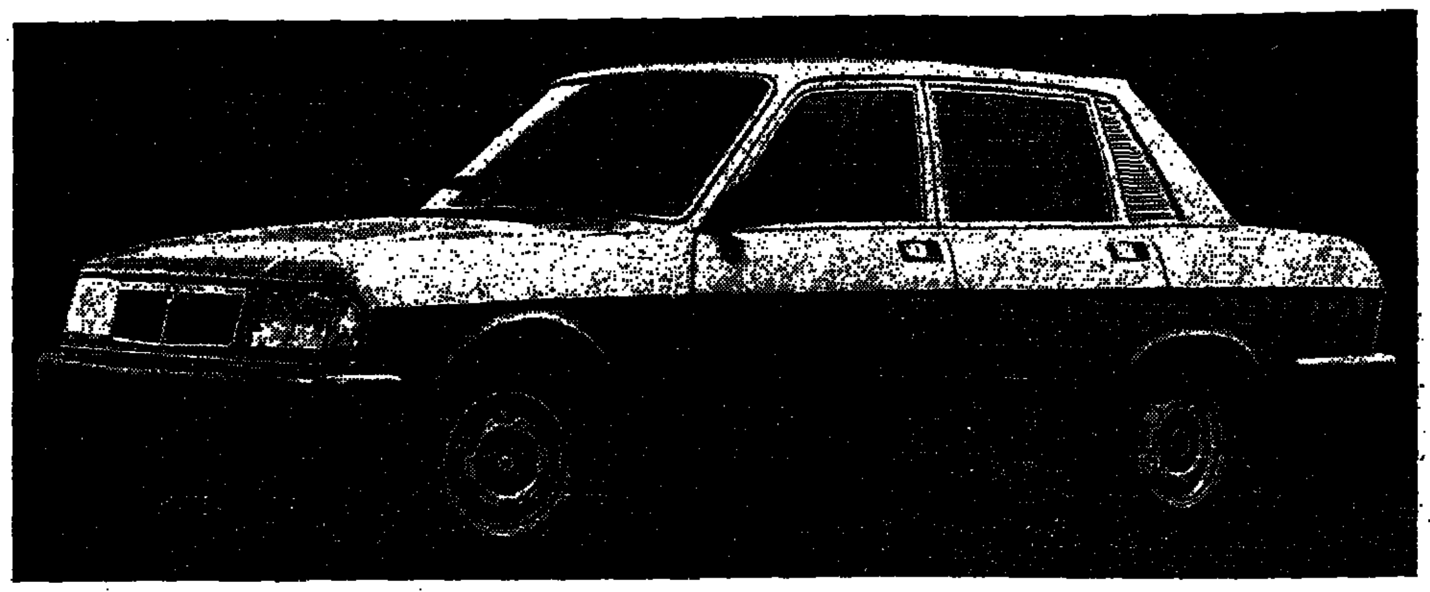




MOTORING

Turin's fashion show

BY STUART MARSHALL



The Lancia Trevi, a three-box version of the Beta. It will reach Britain next year

INEVITABLY, one has to choose a star of any show. Often it is easy, as it was at Geneva this year, when nothing could match the Audi Quattro for sheer technological brilliance.

But at Turin, where Italy's designers and stylists mount the motor industry's equivalent of the Paris fashion week? According to conventional thinking, the show star would have to be an exotic, ultra-high performance luxury car, out of reach of all but an oil sheikh's pocket. And there are quite a few of them about.

Bertone stand has a mid-mounted Lamborghini 3-litre engine and a claimed maximum speed of 150 mph. Ital Design shows a slightly more down to earth four-seat saloon based on Lancia Monte Carlo mechanicals. There are many others, but most attention is being directed to a lean, elegant saloon on the stand of Pininfarina, who is celebrating his 50 years as a coachbuilder.

It is called the "Pinin" and is powered by the Ferrari Boxer's flat-12 cylinder engine, mounted conventionally at the front. Uniquely for a Ferrari, it has four doors and is as easy to enter and leave as a Jaguar XJ-12, to which is bears a passing resemblance, at least in profile. The seats are trimmed in English Connolly leather—"There is nothng pleasanter to the eye or the touch," says Pininfarina himself—and the headlamps are by Lucas, their reflectors multi-faced like a gemstone.

The Ferrari 12-cylinder engined "Pinin"—the first four-door Ferrari and the shape of supercars to come.

The instrumentation is fully electronic; the screenwipers retract invisibly beneath a flap when not in use; and rear seat passengers can enjoy a different radio programme from those up front—through headphones, of course.

It is a superb looking car and, contrast to so much of the ultra fast exotica that are really no more than publicity specials, it has the makings of practical and enjoyable transportation for the very rich. Nothing has been said about production plans, but this is the way the supercar must go if it is to survive.

Italian coachbuilders, however, are just as clever at the other extreme. Already, miner industry has sprung up, producing variants of the Panda economy - cum - utility car launched by Fiat earlier this year. Turin's sunny exhibition hall is full of them. There are luxury city-centre Pandas, with dark windows, massive over-stuffed front seats and lots of wood veneer. Warmed-up Pandas with wide alloy sports wheels. And (for me the most interesting cars at the show) a couple of go-just-about-anywhere Pandas with optional four-wheel drive.

The "Strip" and the "Off Roader" are exhibited by Ital Design. A power take-off has been grafted on to the four-speed gearbox and a propellor shaft leads to the leaf-sprung back axle. Ground clearance has been increased and the tyres are knobbly. The "Strip" is fashionably butch, with its camouflage colour and "Action Man" army-type accessories. Instrumentation includes an inclinometer which tells the driver how much the "Strip" is tilting to one side, how steep is the slope it is climbing. The "Off Roader," like the Sabaru all-road saloon, looks much the same as any other Panda.

Ital Design say the 4 x 4 Pandas have climbed very steep slopes, revealed no problems when used across country and "left the best of impressions in snow." I believe them. Though the development is Ital Design's, Fiat is watching closely. As Subaru has shown, there is a growing demand for a light, cheap runabout type of car that will laugh at the kind of surfaces no normal car would look at.

Also at the show are some attractive developments of what is still Europe's best selling light car, the nine year lod Fiat 127. Coriasco, a Turin coachbuilder, displays a roomy, five-seat estate car with a raised roof over the rear seats. The tailgate lifts up and the tailboard folds down to extend load carying capacity. Coriasco, who clearly admire the Talbot Matra Rancho, call their car "The Farm." In Italy, it costs about £3,800. At htat kind of price it could be a winner in Britain, too.

For sheer vulgarity, the prize must go to the Stutz. This unhappy mixture of angularity and curves, with pre-World War II type outside exhausts, has a hydraulically raised and lowered htrone among its list of options, "to let Middle Eastern monarchs be seen by their people," the man on the stand explained.

Running it close for tastelessness is a tarted-up Daimler-Benz Geländewagen with over-sized polished alloy wheels, lots of unnecessary trim and gear levers hidden away in cloth bags, like the legs of dining tables were supposed to be in modesty-obsessed Victorian households.

At the Fiat press conference, car group chairman Umberto Agnelli said that 90 per cent of his time was spent making cars, 10 per cent on fighting a guerilla war. One weapon in the anti-terrorist campaign is the armoured car. At the show is the Gamma Protecta, outwardly entirely normal but with inch-thick windows of bullet-proof glass and equipped with unspecified anti-kidnapping devices. Curiously, its tyres are conventional, though Dunlop's runflat Denovo has made its Itlian debut on a Panda.

Fiat, for whom Turin Show is a biennial shop window, has nothing brand new. But its Lancia subsidiary unveiled the Trevi, a three-box version of the Beta which has always looked like a hatchback but has, in fact, a normal boot.

The Trevi (it stands for tre volumi, or three boxes, not that famous coin-filled Roman fountain) has a vaguely old-fashioned look about it but there will be nothing outdated about its performance. It goes into production this summer alongside the Beta and will reach Britain in a year's time with fuel injection probably standard. The big Lancia Gamma is to be available with fuel injection and a four-speed automatic transmission in Britain before the end of the year.

Talbot's Solara derivative of the Alphine, with a boot instead of a hatchback, makes its show debut at Turin. Plainly styled cars can be elegant; this one looks almost austere.

MOTOR CARS

COMPANY NOTICES

TRAVEL

City of the Medici

BY PAUL MARTIN

Bridges over the river Arno

THERE is one European city to which I willingly return time and time again with, on each occasion, a deepening sense of pleasure and the possible bonus of coming across the unexpected discovery. It is, of course, Florence, the capital of Tuscany and, above all, the city of the Medici.

It is virtually impossible either to discuss or write about Florence without linking it with that dynasty, all-powerful and yet benevolent bequeathers of a tradition of art which has few equals anywhere in the world. While I don't exactly need an excuse to go back, the opening last month of an impressive Council of Europe Exhibition on the theme of Florence and the Tuscany of the Medici in 16th-century Europe provided an additional stimulus.

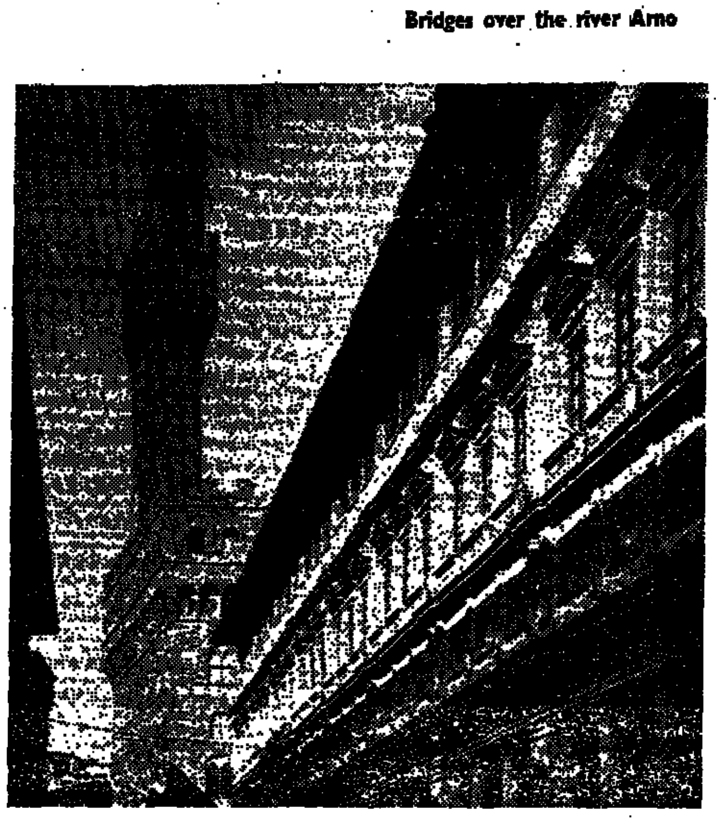
Conceived on a wide and all-embracing scale, it is due to run till the end of June, but just a week after it opened, they are already talking about extending it. The Italian State Tourist Office in London can give you the exact position.

The exhibition covers just about every aspect, ranging through the great art exhibitions with, in the splendid and massive Palazzo Vecchio, an imaginative recreation of the palace where the Medici lived and ruled. Power and space, the rebirth of science after the dark ages, the Christian influence, and astrology and alchemy in that brilliant flowering of the Renaissance are all represented.

Incidentally, if you know Florence well, you may not find your favourite painting or piece of sculpture in its traditional setting as there has been some justifiable temporary moving around of art treasures so that they can contribute to the story of that extraordinary period. The special Medici exhibtions are open all day.

Regardless of the current displays it's all too easy to embark on a frenzied round of culture-vulture sightseeing, getting your Boticellis, Beato Angelicos and Fra Bartolomeos blurred and ending up with an appalling dose of ocular indigestion.

One piece of practical advice. With the notable exceptions of the great permanent collection in the Uffizi galleries and the Medici chapels, museums in Florence are generally open from 9 am to 2 pm and closed on Mondays. You can buy a season ticket for state museums before leaving and an overall cost of L5,000 (under £3) covers entrance to all the special exhibitions.



The Uffizi Galleries

The weekend package on which I went out with CIT gave me just about enough time to revisit many familiar landmarks. And to discover, by chance, the little church where Dante worshipped and his house close by. CIT's Florence programme covers stays of varying durations and I found the Anglo-American Hotel old-fashioned and stylish in the nicest possible sense with attractive public rooms with the staff in reception, all polyglots, welcoming and extremely helpful.

With flights London-Pisa, transfers and a bed-and-breakfast arrangement with private facilities, weekend prices range from around £170. Allow about £220 for a summer fortnight or, for slightly more, you can combine a week in Florence and then move on to Rome or Venice. The handling was both speedy and efficient.

The heart of Florence is relatively compact and the buses are animated and crowded. Incidentally, translating literaly from the Italian, "you should munition yourself with a ticket on land." Ticket control is via a stamping machine marked "for obliteration only!" Most tobacconists sell single tickets or a carnet giving you 11 rides.

A good many restaurants offer inclusive tourist menus, with cover charge, service and wine included, from around £3.50 upwards. You can, of course, pay a good deal more than that but Italy remains an advantageous country for us.

It would and, indeed, does, take volumes to catalogue all the various art treasures in the Uffizi, the Pitti Palace and the countless museums but Florence is also fortunate in having several natural vantage points.

It is easy to catch a No. 7 bus up to the old Etruscan town of Fiesole from where you can look down on the great complex of the vast cathedral of S. Maria dei Fiori, with Brunelleschi's incredible dome, and the baptistry and bell-tower. You can pick out the smaller dome onthe Medici chapels and the spires of S. Croce and S. Maria Novella.

If you go in the opposite direction and cross over the Ponte Vecchio, you can make your way up to the Belvedere fort—the Power and Space Medici exhibition is housed there—and lok out across the city in close-up to Fiesole up on the hill.

Florence has now become a major conference city and, looking ahead to next November, will be playing host to the annual ABTA get-together. Whether the gentlemen who move us at relative ease around the world will be celebrating or wringing their hands and complaining that they5ve never had it so bad, they will at least experience the warmth and friendliness of true Florentine hospitality.

This is a city for all centuries where, after exercising power for a period of over 300 years, the Medici left their priceless collections in perpetuity to the people of Florence. The city is their permanent memorial.

ADDRESSES:

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Rhododendron's infinite variety

BY ARTHUR HELLYER

IN A GENUS so vast and so varied as rhododendron it is essential to have some system of sub-division to make classification intelligible. More than half a century ago botanists and gardeners combined to devise such a system and adopted a rather unusual method that had first been used much earlier in the Royal Botanic Garden, Edinburgh. They split rhododendrons into groups which had obvious affinities and they called these groups "series."

There are now more than 40 of them; each identified by the name of one of the best known or most typical species, which can be a little confusing for the uninitiated since a series name is also a species name, i.e. it is both a group name and an individual name. Though it is not necessary for anyone who is simply growing rhododendrons for pleasure to know anything about these "series" they are so sensibly organised that a little understanding of them can save quite a lot of time and trouble.

Suppose, for example, that you want some rhododendrons for a rock garden or for the front of a sunny and open border where it is undesirable that any plant should grow more than a metre high. It is highly probable that some of the most suitable kinds will be found in the series named Lapponicum or in hybrids derived from it since these are all dwarf evergreen shrubs and the species grow wild mainly in the drier and more exposed parts of the Himalaya. Many of them make delightfully compact little bushes, dome shaped or flat topped, with neat leaves and small flowers but so many of them that in spring they make a display second to none. Many of them are also blue, violet or purple with some very good shades among them.

Notably beautiful Lapponicum species are impeditum, intricatum, russatum and scintillans and fine hybrids from some of these include Blue Tit, Bluebird, Sapphire and Saint Tudy. A lot more keep on appearing in garden centres where they are becoming quite popular and some bear names which may not be easy to find in any reference book and have probably been coined by European nurserymen who feel that a popular name is bette rfor sales than a botanical one. But if you see a small, net, blue flowered rhododendron it is odds on that it has something to do with that very useful Lapponicum series that it will be a satisfactory garden plant provided it can be given lime free soil.

Or again let us suppose that you have seen, in some good woodland garden, rhododendron with huge leaves covered beneath with whitish or cinnamon brown down and fancy that in your own garden room could be found for one or two such handsome shubs. The place to lok for them in a reference book would be in the Falconeri or Grande series which some authorities treat as distinct and some, more sensibly so it seems to me, combine a one.

These are all large shrubs, or even trees if you accept as such plants that make a lot of branches from very low down. All have very different requirements from those of the Lapponicum series for they grow wild in places of high rainfall and if they are not actually under the shelter of trees they provide one another with tree-like protection. In Britain they are definitely woodland shrubs, particularly for west coas gardens where be rainfall is high and the air is usually moist. The species to look for are falconeri and grande themselves an dalso niveum, with compact clusters of smoky purple flowers; fictolacteum, white or pink flowered but always crimson blotched and one of the eassiest of this type to grow; rex, which is arguably an even beter plant in the same style; macabeanum, yellow flowered and a real status symbol in the horticultural world and sino-grande, the most breathtaking of all rhoddoendrons in leaf and flower but too tender for any but the mildest west coast gardens or for those prepared to take a gamble.

The richest, spiciest, most all pervading rhododendron perfumes are to be found in the Edgeworthii and Maddenii series but here again one could be buying oneself trouble for these are rhododendrons that come mainly from the warmer parts of the Himalayas and so are mostly rather tender. Many grow well in the western maritime gardens and all are lovely plants for unheated or very slightly heated conservatories and verandas. The flowers of some, such as lindleyi, nuttallii and taggianum, are large and funnel shaped, almost like lilies, and there are some delightful hybrids such as pink and white Countess of Haddington and well named pure white Fragrantissimum.

Some of my own favourites are in the Cinnabarinum series most of which have clusters of dangling bell shaped or tubular flowers quite unlike the popular idea of what a rhododendron should look like. *Rhododendron cinnabarinum* itself, which gives the series its name, is a beauty with almost tubular flowers which vary remarkably in colour from pale purple in a variety called pallidum to plum crimson in roylei. Breeders have used this species a lot and their hybrids have varied according to the particular form of cinnabarinum they chose to work with. Some of the most beautiful appear under the names Lady Chamberlain and Lady Rosebery but even these names apply to groups of hybrids of similar parentage but often very different colour so it is a good idea to buy (or at any rate to choose) the ones you want when they are in flower so that you can see exactly what is being offered.

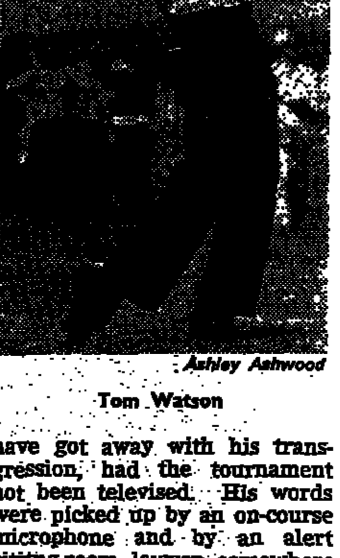
Turning the rhododendron page again to something quite different one could look in the Triflorum series for rather tall, twiggy, open branched bushes with clusters of butterfly-like flowers that produce somewhat the same effect as azaleas. Some fine blue rhododendrons are to be found here associated with augustinii a species that can be glorious or repulsive according to whether one picks up a good or a bad form. One specially good one has been named Electra and, if in doubt, this is the one to go for but in any batch of seedlings there will probably be some worth picking out for particular points of excellence and it is always worth while to keep ones eyes open for such things when visiting nurseries and garden centres at this time of the year. It adds the spice of bargain hunting to all the other delights of gardening.

Anyone wanting to know more about the rhododendrons series will find the mlucidly set out in the excellent "Rhododendron Handbook" part one, published by the Royal Horticultural Society and those who wish to delve even more deeply can do so in the third volume of Bean's "Trees and Shrubs Hardy in the British Isles" the most readable and scholarly work on this subject produced in any country. Each volume (the fourth is imminent) escalates in cost but thankfully it is available in every reference library.

Playing by the rule book —the honesty test

GOLF

ROGER PAUL



Ashley Ashwood

Tom Watson

ARE YOU honest? Pause for the indignant intake of breath, the flared nostrils and the icy glare.

OK, change of question. Have you ever, during the course of a medal round, commiserated with your companion who is in the process of taking 95, less 10, in the following terms: "All you need do, old man; is swing just a little less quickly."

And some supplementaries. Did you, after profferring that kindly well-meant advice, add two strokes to your score? And if you didn't, and if you won the medal by one stroke, have you, or will you, return that medal?

This Saturday morning inquisition is conducted in the light of Tom Watson's recent experience in California in the Tournament of Champions, and is not meant to make a dishonest man out of you. The Rules of golf are so complex that it is my firm belief that ignorance of them is not only bliss, it is also compulsory.

But the fact remains that Rule 9 (1A) states incontrovertibly that "a player may give advice to, or ask advice from, only his partner or either of their caddies."

That, in turn, means that every single golfer who ever drew a kind-hearted breath has, at some time, transgressed Rule 9. You have only to say to someone that they are lifting their head and wham, it's two strokes on your score.

It sounds like a pretty stupid rule, and in the sense that they all are, so it is. But, given that there have to be rules, and given that it is human nature which demands that there be rules, Number 9 is, on balance, quite necessary.

It was not designed, of course, to catch the Tom Watsons of this world, in the circumstances which prevailed at the time he committed the offence. Watson had told Le Trevino that he was playing the ball too far forward in his stance, and accompanied the words with a quick demonstration of what he meant. As Trevino had started eight strokes behind Watson and finished 12 behind, and as the "lesson" took place on the 15th, the two were hardly competing against each other, and the whole thing was completely harmless. Watson, thankfully, still won the tournament.

Rule 9 exists for several reasons. The first is to prevent every stroke of every round becoming a committee meeting. Imagine the scene if all and sundry were allowed to give advice. The player, thinking of a four iron, could be told by a spectator that Tom Weiskopf had reached with a six, the caddy might be saying try a five, and a player who had completed his round and was watching his old mate could be urging a softly struck three. In those circumstances, the player might conceivably decide that the whole thing was impossible and go home.

The rules committee, rightly, want players to play using their own judgment and their own knowledge of the course, the conditions, and their technique.

Then, of course, there is the gamesmanship aspect. Watson, whose reputation for sportsmanship is unblemished, certainly would not have made his comment to Trevino, had the two of them been fighting it out for first place. For one thing, Watson is not that daft, and for another it would have been open to the misconstructin of attempting to put doubts into a competitor's mind.

But there are other professionals who would not hesitate. I can hear now the old pro who once said to me, during the course of a money match, that I could get lots more distance with a fuller shoulder turn. My response, as he knew it would be, was tol ose three holes on the trot. I should have said: "Thanks very much. It is a pity that your no doubt kindly and well-meant advice means that I am now five up, instead of four."

Rule 9 emerges from obscurity only infrequently. The last recorded instance in major competition was during the 1971 Ryder Cup in St. Louis, Missouri. Arnold Palmer and Gardner Dickinson were playing Peter Oosterhuis and Bernard Gallacher in a fourball match, and the circumstances were slightly embarrassing. Palmer played a shot which drew forth the almost-involuntary comment from Gallacher's caddy: "Great shot, what did you take?"

That, of course, is asking advice from the opposition, the hole was duly claimed by the Americans and they went on to win by 5 and 4.

Watson would undoubtedly have got away with his transgression, had the tournament not been televised. His words were picked up by an on-course microphone and by an alert sitting-room lawyer somewhere in America. He phoned the authorities who, once informed, had no alternative but to act.

I would not have wanted to be the man who told Watson he was to be penalised two strokes, if that had meant he thereby lost the tournament.

Rule 9 is, quite obviously, necessary. But the use to which it was put on this occasion, like the use of Rule 2 (2B) to disqualify Sandy Lyle from the Kenya Open, is unsatisfactory. It goes against the grain to penalise men of honour for inadvertent acts, the moreso because it is done in the name of the rules.

So be warned. One word of advice from you in the next Medal and it's two shots. And take a look in the tee boxes. If there's anything in there that looks like a microphone, it's a sure sign that the committee strongly suspect that something is up.

In like a lamb

CRICKET

TREVOR BAILEY

THE 1980 cricket season officially opened last Wednesday at Lords, when Essex, the champion county met the MCC. A couple of other counties limbered up against Oxbridge teams.

Rather surprisingly, little of note is happening this weekend, and the majority of the counties do not become seriously involved until next Wednesday, the start of Schweppes County Championship.

Unlike soccer which heralds its arrival with a loud fanfare, cricket creeps up so quietly, almost apologetically, that it is often two weeks before sports enthusiasts realise that another season is under way.

Providing the weather co-operates, the summer should prove absorbing. There is a five-Test series against the West Indies, the strongest team in the world, and the best side to visit this country since the Packer revolution and a centenary Test with Australia at Lords in late August. There are domestic competitions, in which Somerset and Essex, the two teams which achieved the double last year, never having previously won a major trophy, will be trying to repeat the performance and Scotland have been admitted to the Benson and Hedges competition for the first time.

This has caused considerable interest in a country which contains more real enthusiasts for cricket than is generally appreciated south of the border.

In addition to a fascinating programme, there are numerous questions which remain to be answered, including, who will captain England, whether our young batsmen have the ability to succeed at international level, and are our young pace bowlers good enough and fast enough to trouble the West Indies.

England have done extremely well under Mike Brearley, but t must be admitted that much of the opposition has been limited as a result of Packer signing up so many accomplished international cricketers. This served to camouflage weaknesses in our national team not the least being a lack of class batsmen, painfully exposed during our 3-0 defeat by Australia last winter.

Brearley has said he will not be available for the tour next winter. The selectors must decide whether to appoint a short, or a long term leader.

If they settle for the long-term the chosen man could well have to start his career losing captain in the two successive series against the West Indies. Irrespective of how he performs as a leader, tactician and player, he cannot hope to escape criticism if this occurs.

Clive Lloyd and company should win this summer unless the groundsman comes to our aid with slow, or turning pitches. They beat Australia rather more easily than Australia beat us. It would not surprise me if the selectors settle for a caretaker skipper who could be sacrificed and deposed. They would then appoint a new king for the tour, when ruling would be easier.

It may seem strange, but the West Indies tend to be more formidable in this country than in the Caribbean. The majority of their team are more at home on our pitches than their own. There is less pressure on them over here and no inter-island rivalry. It is more difficult to achieve a result in the West Indies, an dtheir wickets do not normally favour seam as much as those in England.

The last factor is especially important as their attack is based almost entirely around pace, which from a spectator's point of view is to be regretted. It means that for a large part of this summer they will have to accept a diet of English batsmen facing bowlers with long runs and an over-rate which is unlikely to reach 14 per hour.

The principal productive strokes to be seen are likely to be the push, the nudge off the legs and the occasional drive an dhook. Runs are likely to come slowly, and will be hard to make.

The 1978 Centenary Test in Australia was superbly organised. It provided a superb game of cricket which Australia won by 45, exactly the same margin as they had done in Melbourne 100 years earlier.

It is to be hoped that this summer centenary test will produce as much entertainment. I wouldn't mind if the outcome was the same as the first Test in England which we took by five wickets. This was largely due to a century from W. G. Grace. So there is a target for Geoff Boycott. I fancy our chances i nthis game far more than I do in the match against the West Indies.

RACING

DOMINIC WIGAN

Look to Royal Mail

SANDOWN this afternoon stages that always entertaining meeting which sees the season's last major steeple chase, the Whitebread Gold Cup, supported by two group three flat races and the Esher Cup.

Thirteen — just one less than a year ago — are due to line up for the Brewery Race, in which the North's Father Delaney bids to concede from between 2 lbs and 21 lbs to some of the country's toughest staying chasers. Although Peter Easterby's raiders almost invariably equip themselves with distinction on the South's Park courses, I suspect that Father Delaney will find one or two including Lacson and Royal Mail too good at the weights.

The eight-year-old Lacson, a much-improved handicapper, bidding for his fourth consecutive victory, is entitled to be favourite. However, at around 4 to 1 his odds will not appeal to all in such a competitive event. A more appealing bet in my opinion is that much-travelled ex-New Zealand ten-year-old, Royal Mail, each way. Although this gelding — at one time considered a live Cheltenham Gold Cup prospect — has been a bitter disappointment to Stan Mellor this season, recent schooling suggests that he could now be back to somewhere near his best.

The four-year-old Gregorian, an easy winner of a Maiden event on his sole juvenile appearance, again made only one appearance last term, finishing a well-beaten third, when long odds-on for the Curragh's Sean Graham Ballymoss Stakes. It is Graustark colt on the little face-course evidence available, but of one thing there is no doubt—Vincent O'Brien would no longer be training Gregorian, had he lost any confidence in the four-year-old.

SANDOWN

1.45—No Piracy
2.15—Gregorian***
2.55—Royal Mail
3.35—Intinto
4.10—Henbit*
4.40—Mark Your Card

LEICESTER

1.30—Abalight
2.00—Karlinsky
2.30—Skyliner
3.00—Pekoes Tail
3.30—Tudor Judge
4.00—Constant Rose
4.30—Argive
5.00—Maiden's Walk**

HOW TO SPEND IT

by Lucia van der Post

SPRING INTO ACTION

MOST OF the manufacturers involved in the home decorating business are wont to lament the fact that we British are not like the dear, free-spending Americans across the water. They, we are led to believe, go in for changing their floorcoverings, their curtains, their sofa and chair covers at least with each season and whenever their decorator tells them they are demode besides.

Poor relations that we are, we may not be able to afford to change the entire look of the house each season but it is surprising how much of an air of freshness and newness can be given to a room for not too much of an outlay—providing, and here's the rub, that you can manage to do it yourself. Labour has become the one great luxury that few of us can afford.

If you have never embarked on wallpapering yourself it is more time-consuming but less difficult than one might at first imagine. For the beginner in the wallpapering stakes the Wallpaper Marketing Board has brought out a leaflet entitled "Hanging Wallpapers" which describes hte whole operation in such simple, easy steps that even I feel I might tackle it.

The leaflet is available free if you send a large stamped addressed envelope to the Wallpaper Marketing Board, 105 Park Street, London, W.1.

Choosing paint has become almost as complicated as choosing a hifi system with its own set of technological terms that are quite enough to make the amateur feel he might do best to leave well alone. That would actually be a pity for if you can be bothered to sort it all out it really is less complicated than it sounds. Most retailers should be ready to give you good advice but if you prefer to read it all up yourself you can pick up in any good paint shop one of ICI's leaflets entitled "A Simple Guide to Successful Painting" which gives lots of general advice, though of course the types of paints listed are ICI's own brands.

Even the most militant members of the non do-it-yourself brigade might be persuaded to change the habits of a lifetime if they take the trouble to look at what the manufacturers and designers have come up with this spring. Never have the designs been more desirable, never has it been easier to select a personal, original scheme from the increasingly sophisticated collection of mixing and matching, toning and related wallpapers, fabrics and points.

A general look at what is on offer confirms an impression that a delectable collection of ice-cream colours are about to hit the domestic market. Conran at 77 Fulham Road, London SW3, has a particularly engaging group of fabrics all based on the same colours so that they can be used together, yet each is a different pattern.

The general feeling seems to be much more sophisticated, less artlessly rustic, than the look we've all grown so used to. Instead of the intricate little florals there seems to be a feeling for larger scale designs. Tricia Guild of Designers Guild, 277 Kings Road, SW3, who almost single-handed seemed to invent the tiny pattern-upon-pattern look, has produced a new collection of co-ordinating fabrics and wallpapers which are much larger in scale, uses many more screens (12 or 13, as opsoped to the two or three of her early designs) and have an altogther more classical dook to them. She uses lots of chintz and the whole effect is ravishingly pretly, like a sophisticated English country house.

Robin Guild, who has a large number of influential clients for whom he designs interiors and who is constantly in touch with new ideas in the whole designing/decorating field has noticed that increasingly his clients want to put their money into more tangible things than paint and wallpaper—so they look for simple ways of freshening up a house and put such money as they have into one or two really valuable antiques.

He himself has put plain white sailcloth on the floor—you may well gasp (as I did) but apparently it is eminently practical as about once a month he simply shampoos it clean. He uses the same sailcloth for curtains and nailed ordinary fencing (from garden centres) round the walls. He gave it a thin coat of watered-down cream emulsion so that it looks like bleached wood (very Syrie Maugham).

Now that the cost of recovering a sofa is so high (due to the large amount of labour involved) he recommends flinging a good fur bedspread or a soft Kelim over it—after all, it can be re-used and will last long after the upholstery.

For those who are less imaginative in their own approach to doing-up their houses and prefer a more orthodox approach, featured on the rest of the page are some of the more ready-made alternatives on the market now.

● If you really want your decorating made easy, then then David Sage is your man. He has made it almost foolproof. He has been involved in the interior design business in one way or another since he left school but about two years ago he designed a range of bamboo furniture (marketed under the name Bamboo Designs) which is made to his specifications in Taiwan. From there he turned to designing a collection of his own fabrics and wallpapers and added ceramics, lamps and other accessories to the range so that even the most visually timid or those who are chronically short of time can go to one source and be sure that they will achieve a unified rom.

His style is quite different from all the other co-ordinated ranges around being both less pretty and less fussy. I hope it isn't a sexist remark to say that it looks as if it had been designed by a man. What I do like about his designs are that if you choose a colour base—say beige—you can then select from a whole spectrum of fabrics and wallpapers (small geometric, flowery, abstract, etc.) which work together.

He works in a limited range of colours—beiges, rusts, French navy and this year's fresh fondants like yellow, pink and green. The fabrics are all made from 100 per cent hand-printed cotton and prices are not expensive by today's standards—fabric is from £7.40 a metre, wallpapers about £7.50 a roll.

The ceramics are extremely classical in line and could be bought for their own sake, quite apart from the fact that they work so well with the rest of the Sage range.

David Sage designs are stocked by good-class interior decorating shops up and down the country. Any reader who has difficulty tracking down a local stockist either for the furniture or the textiles should write to Dave Sage Designs, 40 Harroby Street, London W1.

● Sanderson's Triad collections, in my view, go on getting better and better. The first Triad collection was launched twenty years ago this is the tenth collection) and the way in which the various designs can be used together has become increasingly sophisticated. For instance, the latest group of designs includes papers and fabrics, carpets, rugs, voiles and wallpaper borders.

I particularly like the addition of the voiles—the change of texture that this offers, the opportunity to let in light and air, gives a room immediately an air of great freshness.

Similarly, other designs offer the option of a much larger co-ordinated pattern, suitable perhaps for upholstering a chair or a sofa, yet again offering unity without looking too obviously repetitive.

Photographed in the picture above is a singularly pretty collection of designs from the latest Triad collection.

Rejoicing in the name of Country Trail the basic design features a trail of hedgerow flowers, ferns and wheat ears with butterflies and there is a choice of three different colourways on wallpaper and printed cotton fabric as well as a white-on-white polyester/cotton voile.

The Triad collection is exceptionally reasonably priced so it is perhaps the answer for those on a limited budget, offering a more or less interior-decorated look at off-the-peg prices. The printed cottons are £5.20 per metre, the voiles are £4.40 per metre, the wallpapers between £4.00 and £6.50 per roll if printed, £4.90 a roll of plain.

Needless to say the complete collection can be seen very well displayed at Sanderson, 52 Berners Street, London W1, but interior decorating shops and departments up and down the country carry samples of the full range.

● Mr. Stone has become quite an institution in his part of London, where his shop at 175-179 Muswell Hill Broadway, Loondon N10 is a wonderful source of fresh and individual decorating ideas for all who live within reach. Besides stocking all the usual ranges of wallpapers and fabrics, tiles and floor-coverings, Mr. Stone believes in a little exclusivity as well and his latest "exclusive" is a collection of ready-pasted, co-ordinated wallpapers, borders and friezes designed by the French designer, Primrose Bordier.

Borders have become a strong interior design device and Mr. Stone shows just how effectively they can be used to define space in the photograph above.

The whole collection goes by the name of "Express" and the colourings are quite different from most other new ranges, being rather more subtle and sophisticated than fresh and fondant. There are Provencale prints and geometrics, Paisley prints or ducks and flowers—there should be something there to suit most tastes.

Simple matching and coordinating is no longer enough and true to form Primrose Bordier offers a choice of correlated miniature prints so that a room, like the one in the photograph, can be put together in a restful, unified way without the matching papers looking too obvious.

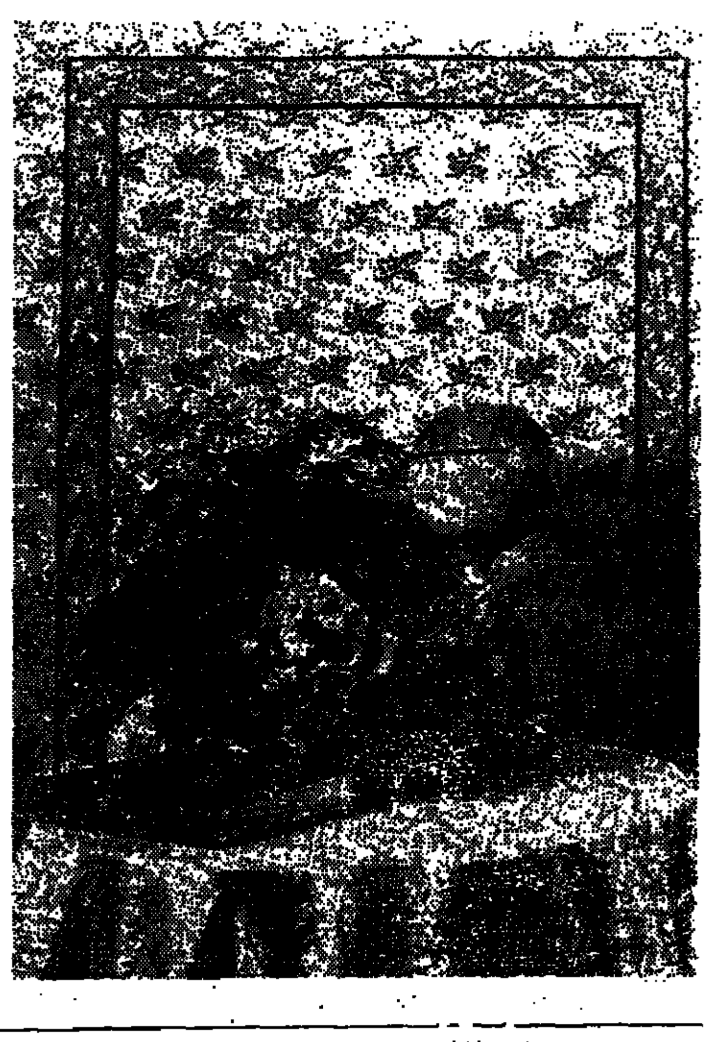
In the photograph, wheatsheaf and flower patterns on a pointilliste background have been used for the alcove, while the main room features a correlating pattern of miniature wheatsheaf in a single colour on a cream background. The border tones in with either paper. The papers, including the borders, are all about £6.48 per roll and besides being available from Mr. Stone's own shop, can be found at interior decorators u pand down the country.

● Right. A small corner sowing the kind of effect that can be achieved with Osborne and Little's Folia collection. Osborne and Little are old favourites of mine. They don't go in for quite such a comprehensive co-ordinated effect as many of the other companies I have mentioned this week but whereas once they only offered wallpapers they now offer related borders and matching or related fabrics.

The Folia Collection features five designs in a wide range of colourways and all of them have co-ordinating glazed chintz fabrics. The wallpapers cost £7.99 per roll, the fabrics from £8.28 to £10.35 per metre.

Featured in the photograph, right, is a wallpaper called Oakwood which has a leaf design with an integral border that can be cut and used separately (Oakwood comes in five different colourways), the tablecloth fabric is called Seaweed and comes in six different colourways.

Good interior decorators and design shops all over the country stock their papers and fabrics.



ARTS

Dangerous living

BY ANTHONY CURTIS

The part of Sebastian Cruttwell, the eminent literary critic, in Terence Rattigan's *In Praise of Love*, has had some distinguished interpreters since 1973 when the piece first saw the light of night. There was Donald Sinden in the original London production, followed by Rex Harrison who created the role on Broadway and modelled it to his own particular needs. After that came the television version which caught the spirit of the play beautifully with Kenneth More as the emotionally clumsy Englishman whose love for his dying wife takes the form of a brusque, at times brutal reticence.

Last Saturday the play was given its first radio production, directed by Peter King in the Saturday Night Theatre slot, and we heard Anthony Quayle as Cruttwell. Radio acting is a law unto itself it cannot really be compared to work in other media: even so I began to wonder whether Quayle might not be the best Cruttwell yet, the ultimate natural for the part. There seemed something inevitiable in the way he delivered the lines with their heavy-handed English middle-class humour, referring to Shakespeare as "the burgher from Stratford," and refusing to call a spade a spade until it is revealed he has know about his wife's leukemia the whole time. Quayle seemed throughly at home in the role where a mask of boorish heartiness has to serve as a shield for the *caring inward self. The others* have had to stretch for the right tone.

One of the biggest problems in any interpretation is finding the right tone for his dying wife whom Rattigan, for reason's best known to himself, made an Estonian resident in England since the end of world war two, but still retaining the inflections of her native tongue in her otherwise impeccable English speech. It may well have been the difficulty which Joan Greenwood found with this in the first production that prevented the play from taking flight with the soaring poignancy its theme demands. By contrast Claire Bloom found a neat convincing style for Lydia on TV. Muriel Pavlow, who was the wife on radio plunged in courageously at the deep end and through her heavily accented breast-strokes suggested unquenchable gaiety of soul. Exchanges between the strangely assorted parents and their only son (John Bull), a Liberal activist and budding dramatist, came over strongly, as did the part of the third man, a visiting American literary celebrity, spoken by Robert Beatty.

The reasons for the comparatively few women who are elected as members of the House of Commons; the social implications in going full steam ahead with the programme of nuclear energy; both topics have been given recently a thorough airing on radio. *Women in Parliament* (Radio 3, April 10) was presented by the former MP David Marquand with contributions from honourable *members on both sides of the* House. It went far beyond the usual explanation — unsocial working hours and the difficulty of combining child-raising, maintaining a domestic presence, with exacting parliamentary duties.

The inherent maleness of the House of Commons was diagnosed as the root cause and it was usually deplored. Norman St John Stevas, for example, suggested that it would be much more difficult for a woman MP to be leader of the House than it would be for her to be Prime Minister. Barbara Castle who spoke well about these questions clearly relished the fisticuffs atmosphere of debate but, as Marquand said, most women find the adversarial character of the House of Commons embarrassing, tedious or childish. A woman member who does take the House on its own terms and rises to the top, like the present Prime Minister, must be re-classified (charming phrase) in gender; hence nicknames like the Iron Maiden.

Another commodity that has to be re-classified if it is to become socially acceptable is nuclear waste. The problems for those who live near the site of a nuclear reactor were fully investigated in lively programme, *A Power to Choose* with Eben Wilson and Dr. Reginald Lodge, produced originally for BBC Radio Carlisle (Windscale, Calder Hall and Chapel Cross are all nearby) by Tim Pitt, and heard yesterday morning on Radio 4 UK. All interested parties from Energy Minister David Howell to the Friends of the Earth were given the opportunity to state their views. Here was a prime instance of a programme with a distinct local orientation fanning out into one dealing with issues of urgent and universal concern.

Simple Painting

BY WILLIAM PACKER

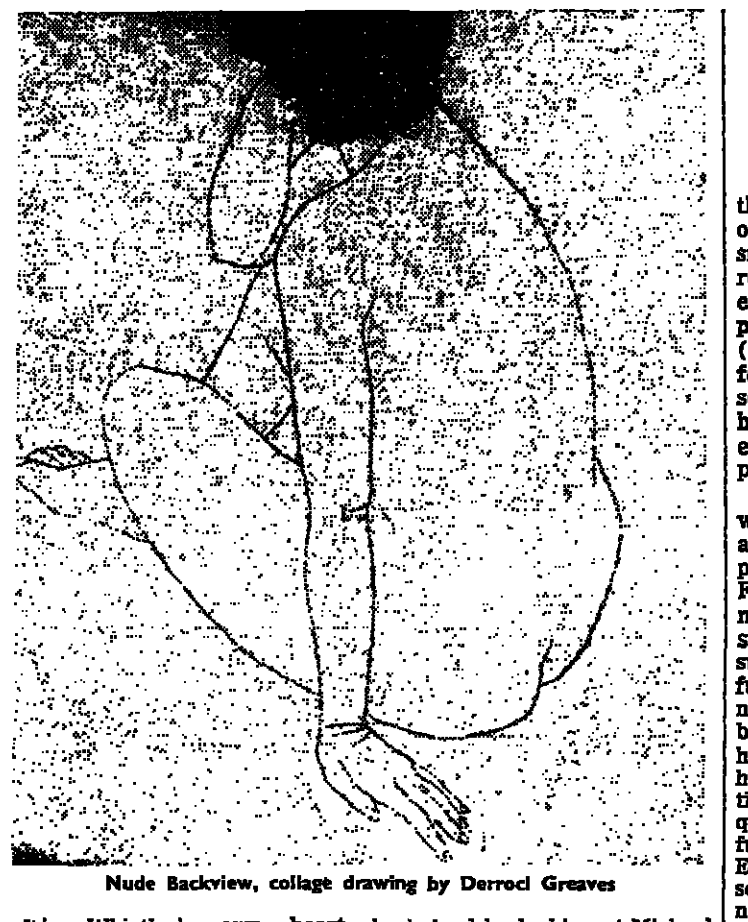
Painting is never an easy business, but an educated and refined simplicity might make it appear so. The reduced, stark image that characterises so much modern art, discarding as it so often does the evidence of painstaking achievement, all too easily invited ignorant contempt, and we would do well to remember in this connection Whistler's conviction: that a work may be said to be complete when the means whereby it has been achieved are no longer apparent. He, of course, was no abstract painter as such: and it so happens that two current exhibitions of figurative painting supply a gloss of sorts to his general point.

Horia Bernea (at House, 62 Regent's Park Road until May 4) is a Roumanian painter who, while preserving his integrity and independence as an artist, continues to live and work under a régime which instinctively and deeply distrusts such qualities of spirit. The path between official acceptance and obstruction is indeed narrow, and Bernes treads it with admirable delicacy. He says that he wishes merely to make modern paintings by simple means, and the simplicity he adopts is one which brings him very close to his native culture and art, many-layered in its associations, but quite outside modern politics.

But he is no faux naïf, for all that his work has great native charm. *His concerns* remain as much with form as with content, ideas of seriality and repetition much in evidence. At Riverside last month he showed recent paintings that were anthologies or compendia of images of certain kinds: still life, landscape and, most notably, self-portrait. The House Gallery is given over entirely to landscape, in fact to one cycle devoted to the same obsessive image of one particular Transylvanian hill. This, the fifth of many sees it through eight canvasses, each one a little longer than the one before, the hillside coming closer by degrees at it is stretched. It is his own familiar landscape, painted essentially from memory, romantic and haunting stuff.

Derrick Greaves (at Fischer Fine Art until May 13) is a very different case, his not the mask of native simplicity, but of self-conscious refinement. He is a dandy in his art very much after Whistler's own heart, taking Japanese economy of line and elegance of disposition as his models. The risks are plain enough, for with the method that he declares there can be no fudging and filling, no second chance: it either succeeds or fails utterly. In reaching this position he has virtually abandoned painting as *such*, the ground now *just* a stained patchwork of paper, the image resolved entirely by line. There is no modelling, no adjustment through the form: the line alone carries the message. And the very best works are the most simple, the most extreme, the vas falling off its plinth for example, the egg on its box, rather than the portraits which, moving back towards complexity, drift also towards a kind of mannerism.

But he brings it off admirably for the most part, in a number of beautiful and witty figure compositions and still lifes. Just how far he succeeds may be judged by looking at Michael Leonard's new paintings downstairs (also until May 13). This is certainly Leonard's most interesting show so far, but is nevertheless frustrating and disappointing; for the expectations raised by the first superficial view are never met. He works in an infinitely painstaking manner from collaged reference, a cobbling together of photographs and tracings, and his work betrays the limitations of his material. He does *not* draw, it seems, and instead of an informed restatement of a physical reality, confirmed by observation, he gives us only so much as the camera will allow, accepting all its distortions of space and form. The photograph is a wonderful reference, but must be understood and used for what it is; but Leonard exhibits no curiosity about its nature. He just accepts it, and works from it with great care and labour, but no fluency, and no insight.



Nude Backview, collage drawing by Derrocl Greaves

Arts Council awards to composers

The Arts Council has approved a number of awards to composers to enable them to undertake a commission from a promoting or performing body.

The 1980 Cheltenham International Festival of Music has commissioned Edward Cowie to write a work to be performed by the Orchestra of St. John's Smith Square and Elise Rose (soprano) and receives an award for this work entitled *Columbine*.

Anthony Payne receives an award for an oboe and chamber orchestra piece commissioned by Sarah Francis, to be performed by her and the Orchestra of St. John's Smith Square at the 1980 Cheltenham Festival.

Make and Break

BY B. A. YOUNG

It's only just a month since this play by Michael Frayn opened at the Lyric, Hammersmith, where it was appreciately reviewed by Anthony Curtis. If ever a play deserved such quick promotion to the West End (Haymarket Theatre) this does, for in a manner that we see too seldom nowadays it extracts humour and pathos from the everyday concerns of adult people.

To be more precise, it deals with a team of businessmen who are selling fireproof and soundproof walls at an exhibition in Frankfurt. The team is dominated by John Garrard, their sales manager, who plays a superbly written part wonderfully well. Garrard appears never to think about anything but business, and he files all his thoughts in his mind so that he sometimes answers a question with the answer to the question before, not having fully resolved it for himself. Even *his* love-making *with* his secretary is conducted on businesslike lines ("You feel me to know what I feel like," she complains); but as she is trying to explain the four noble principles of Buddhism as they go, it's hardly surprising that the affair doesn't proceed on orthodox lines.

The play begins with a hilarious scene of multiple salesmanship while bombs go off in the street, and business occupies the first act almost exclusively, even if business is stretched to include a pretty German student who is helping man the stand. Behind a desk the secretary sits impassively, helping now and then with a friendly move. I wondered why Prunella Scales was cast in such a static part; but when she comes out of her slot to dine and dally with her boss, for whom she has a secret liking, all is made plain. Her blend of simplicity, efficiency and affection adds up to a lovely performance.

The play, which has been comic for an act and a half, suddenly veers downwards in the second half of Act 2, when an apparent heart attack is followed by a real one; yet even this material is developed with a good deal of comedy, though the conclusion is rooted in pathos.

The acting of the company under Michael Blakemore's authoritative direction is good enough to match the sparkle of the lines, and I can't say anything better than that. James Grout provides a touch of sentiment as one of the senior salesmen (and note Mr. Frayn's subtlety, this is to be the centre of affection, but he is never meant to be an outstanding salesman). Peter Blythe is a younger man with a taste for Beethoven and Beaujolais; note how skilfully he handles his drunk scene, with never a cliché of action.

There are able performances by Glyn Grain, David Graham, Anthony Roye, Catherine Neilson, indeed by the whole company; and there is grand set, designed by Michael Annals, in which sample panels of the product are used as yet another source of laughter. Mr. Frayn is one of the most imaginative of our younger writers, and the play is full of invention from start to finish. It should go at the top of the visiting-list.

Perlemuter

BY MAX LOPPERT

For his Elizabeh Hall recital on Thursday Vlado Perlemuter chose the two composers with whom he is most closely associated — Ravel and Chopin. One of the most significant effects of a wonderful concert, an evening of serenely elevated *and distinguished music-making*, was to convince the listener, during its course and for some while after, that this was not simply the best but the only way of playing both composers.

Mr. Perlemuter's Ravel, notably as demonstrated in Thursday's account of *Gaspard de la nuit*, is at once factual (in the impression it leaves of presenting, not interpreting the text) and marvellously subtle—that initial impression must be revised as soon as it is made clear that a wealth of finely disciplined pianistic nuance contradicts the apparently objective approach. In the whittling away of every kind of superficial dramatic gesture, "Scarbo" becomes more, not less, dramatic; when the tone sings out as from the centre of the piano, and when the climax is unerringly placed and achieved, Ravellian fantasy reveals the full force of its glittering menace.

How does one reckon an aristocratic performer? By his confidence, I believe—confidence in both the rightness of the material being performed and the justness of *his* approach to that material—and also by the simple, unemphatic elegance of style with which that confidence is communicated. The Chopin in the second half—the A flat Polonaise Fantasy, Op. 61, and the 12 Op. 25 Studies—was given by an aristocrat of the piano. At the start of the recital the four pieces from Ravel's *Tombeau de Couperin* had been blurred by slips and stumbles; even at this warmed-up stage, it would be wrong to suggest that Mr. Perlemuter's fingers remained note-perfect for long stretches. (A memory lapse in the fifth study, in E minor, was gracefully handled).

It would also be dishonest to pretend that the mistakes did not matter at all. But the *flow* of the music was so exactly gauged—in the first study alone, a lifetime's understanding of *Chopinesque* harmonic colouring seemed to dissolve into a stream of limpid sound—that one was encouraged to concentrate entirely on the picture, not on the flecks dotted around the frame. Decent-sized audience, discriminating in its enthusiasm; surprising, though, that not every seat in the hall was occupied. While we can still enjoy them, Mr. Perlemuter's visits deserve to be treasured.

Student Drama Festical productions at the Old Vic

To mark the silver jubilee of the National Student Drama Festival a selection of the best productions from the Southampton Festival has been invited to take part in a silver jubilee festival season at The Old Vic from April 28 to May 10.

Timothy West, artistic director of the Old Vic, and himself a "graduate" of the Festival, made the invitation to acknowledge the debt the professional theatre owes to the Festival in providing a platform for young actors, writers, directors and designers over the last 25 years.

Sponsors include Hallmark Cards, London Weekend Television and The Sunday Times. Negotiations are continuing with sponsors.

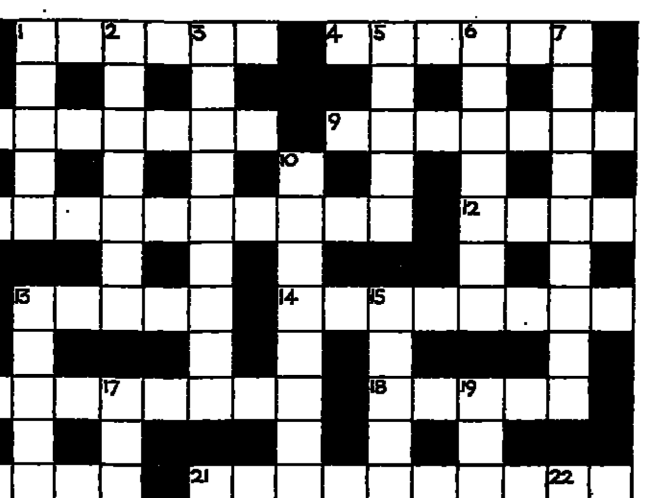
F.T. CROSSWORD PUZZLE No. 4,260

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



ACROSS

1 Twin runner (6)
4 A crime unearthed in ancient Britain (6)
8 Three plays attempt to include one record (7)
9 Hack map may show a sort of magnolia (7)
11 Points out a setback to the scheme (10)
12 Phone up and get the engaged sign? (4)
13 A car means a great deal to us (5)
14 Look! There's a poet in my place in Italy (8)
16 Argentinian dictator takes in Hal to old Greek port (8)
18 Heavyweight from the mountains (5)
20 Turned up with a rebuff (4)
21 Money from Palm Springs? (4, 2, 4)
23 Foot jogger? (7)
24 Relation supporting direction (7)
25 Blond, German type (6)
26 Confidences with Bob among the assistants on the field (6)

DOWN

1 Gets cues right muddled: blast! (5)
2 The drunkard takes in the girl as the only performer (7)
3 One who manages with a musical instrument on the river (9)
5 Those we find changed in disposition (5)
6 Doctor in transport takes first class return to old Wales (7)
7 Time of precipitation for which we save (1, 5, 3)
10 Minis last with change of Soviet rule (9)
13 In opera a female follows look with smile (9)
15 Cruel, but not so much after the start of 4 (9)
17 He said he must sugar his hair (7)
19 Was consistent with the doctor coming up round this place (7)
21 The Channel Islands include her continental address (5)
22 Numbers reached by those who are well dressed (5)

Solution to Puzzle No. 4,259

SUPPLIER SLIGHT
C E E N E A O
RENEGADE RADIAL
A A A A T N E
PENITENT CHASER
E G E G O E A A
PERVERSION
A R S R E N D T
SWEETHEART
S L R D L O T S
ONEWAY COMPLAIN
N G P O I L I
AMATOL SKINDEEP
N T I E E N E
TREBLE CREDITOR

Solution and Winners of Puzzle No. 4,254

Mrs. E. Barker, 529 Barnsley Road, Wakefield WF2 6BP

Mrs. J. Gower, 39 Farrer Lane, Oulton, Leeds, W. Yorkshire.

Mr. L. Hutt, 117 Southdown Road, Seaford, Sussex BN25 4JS

BISHOP CRESCENT
I A U I E T N A
LEXICON STARTER
L O H G O R E G
HIPS BLANKVERSE
E H P E A E T
ABOARD INCLINE
D N E P T I I S
MEDDLER KNIGHT
S I N C G H A
CARICATURE OTIC
A E T A E L M C
MEANING ALIBABA
P L O O M D R T
IMMINENT BOLERO

هكذامن الأصل

TV Radio

BBC 1

9.00 am The Banana Splits. †9.30 Champion, The Wonder Horse. 9.55 Feeling Great! †10.05 Zorro. 10.30 Mickey Mouse Club. 10.50 "Charge at Feather River" starring Guy Madison. 12.27 pm Weather.
12.30 Grandstand: Football Focus (12.35); Snooker (1.05, 2.35, 3.05): Embassy World Professional Championship; Racing from Leicester (1.25, 1.50, 2.20, 2.50); Boxing from the Royal Albert Hall, London (1.35); 3.45 Half-time Football Scores; Rugby League (3.50) Slalom Lager Premiership Trophy; 4.40 Final Score.
5.10 News.
5.20 Sport/Regional News.
5.25 Rolf on Saturday OK?
5.55 Wonder Woman.
6.40 Saturday Night at the Movies: "The Adventures of Quentin Durward" starring Robert Taylor, Kay Kendall and Robert Morley.
8.20 The Val Doonican Music Show.
9.05 Knots Landing.
9.50 News.
10.00 Match of the Day.
11.00 Saturday Night at the Mill.

All Regions as BBC1 except as follows:

Cymru/Wales — 5.20-5.25 pm Sports News Wales. 11.50 News and Weather for Wales.

Scotland—4.55-5.10 pm Scoreboard. 5.20-5.25 Scoreboard. 10.00-11.00 Sportscene. 11.50 News and Weather for Scotland.

Northern Ireland—5.00-5.10 pm Scoreboard. 5.20-5.25 Northern Ireland News. 11.50 News and Weather for Northern Ireland.

England—5.20-5.25 pm (South West only) Spotlight Sport.

BBC 2

7.40 am-1.55 pm Open University.
2.30 Saturday Cinema: "Fitzwilly strikes back" starring Dick Van Dyke.
4.10 Horizon.
5.10 Grapevine.
5.40 Armchair Critics discuss three programmes.
6.10 Snooker: Embassy World Professional Championship.
8.05 News and Sport.
8.20 The Levin Interviews: with Vladimir Bukovsky, Russian dissident.
9.00 Discoveries.
9.50 "Autobiography of a Princess" starring James Mason and Madhur Jaffrey.
10.50 News on 2.
11.00 Snooker.
†11.50 Midnight Movie: "The Left-handed Gun" starring Paul Newman.

LONDON

8.40 am Sesame Street. 9.40 Fangface. 10.05 Superman. 10.30 Tiswas.
12.30 pm World of Sport: 12.35 On the Ball; 1.00 International Sports Special (Part 1) Powerlifting—The World Cup from Crystal Palace; 1.15 News; 1.20 The ITV Six —1.30, 2.00 and 2.30 from Newcastle; 1.45, 2.15 and 2.55 from Sandown; 3.10 International Sports Special—(Part 2) Cycling—The Pipers Whisky Nations Cup from Herne Hill; 3.50 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.
5.05 News.
5.15 The Masterspy.
6.00 Russ Abbot's Madhouse.
6.30 Chips.
7.30 Mixed Blessings.
8.00 Stars in Action: "When Eight Bells Toll" starring Anthony Hopkins, Corin Redgrave and Jack Hawkins.
9.45 Tales of the Unexpected.
10.15 News.
10.30 Charles Endell Esquire.
11.30 Pro-Celebrity Darts.
12.00 The Practice.
12.30 am Close: Personal choice with Dorothy Tutin.

All IBA Regions as London except at the following times:

ANGLIA

9.40 am Tarzan. 6.00 pm Sale of the Century. 6.30 A Man Called Sloane. 7.30 Russ Abbott's Madhouse. 8.00 Love Thy Neighbour. 8.30 TV Movie: "Go West Young Girl." 11.30 Soap. 12.00 Superstar Profile (Woody Allen). 12.30 am At the End of the Day.

ATV

9.10 am Crisis—The Energy Question: Oil. 9.30 Learn to Sing. 10.00 Solo One. 6.30 pm B.J. and the Bear. 8.00 Saturday Cinema: "The Hunted Lady." 11.30 Lifeline.

BORDER

9.10 am Crisis? (The Energy Question). 9.30 Learn to Sing. 10.00 Untamed World. 6.30 pm B.J. and the Bear. 8.00 Saturday Night at the Movies: "Escape of the Birdmen." 11.30 Pro-Celebrity Darts.

CHANNEL

5.14 pm Puffin's Pla(i)ce. 6.30 B.J. and the Bear. 8.00 TV Movie: "The Smugglers." 10.30 A Better Read: Tales of the Supernatural. 11.00 Pro-Celebrity Snooker. 11.45 The Electric Theatre Show.

GRAMPIAN

9.30 am Sesame Street. 6.30 pm The Incredible Hulk. 8.00 Saturday Action Film: "The Manhunter," starring Sandra Dee. 11.30 Reflections. 11.35 Ice Hockey. 12.05 am Seachd Laithean.

GRANADA

9.30 am Crisis. 9.35 Larry the Lamb. 10.05 Fangface. 6.30 pm The Incredible Hulk. 8.00 Saturday Night at the Movies: "Catch Me A Spy." 11.30 Darts World Knockout Cup. 12.05 am For Adults Only.

HTV

9.15 am Learn to Sing. 9.40 Link. 10.05 Fangface. 6.30 pm Chips. 8.00 The Saturday Movie: "The Hunted Lady." 11.30 The Electric Theatre Show. 12.00 The Entertainers (Noel Murphy).

HTV Cymru/Wales—As HTV West/HTV General Service except: 5.15 pm Cartoontime. 5.30-6.00 Sion a Sian.

SCOTTISH

9.10 am Crisis: The Energy Question: Oil. 9.35 Build Your Own Boat. 10.05 Makin' It. 6.30 pm A Man Called Sloane. 8.00 Feature Film: "Winchester 73," starring Tom Tryon and John Saxon. 11.30 Late Call. 11.35 Ice Hockey. 12.05 am Oscar Peterson Presents.

SOUTHERN

8.45 am Learn to Sing. 9.10 Sesame Street. 10.00 Fangface. 10.27 Regional weather forecast. 6.30 pm Charlie's Angels. 8.00 "The Man Hunter" starring Sandra Dee. 10.30 Southern News. 10.35 The Barry Westwood talk-about. 11.35 Barney Miller.

TYNE TEES

9.00 am Three for the Road. 9.50 Wheelie and the Chopper Bunch. 10.15 The Saturday Movie—"Journey to the Far Side of the Sun." starring Ian Hendry. 12.00 The Jetsons. 6.30 pm A man called Sloane. 8.00 Saturday Shoot-out — "From Hell to Texas." starring Don Murray and Diane Varsi. 10.30 Fantasy Island. 11.30 Charles Endell Esquire. 12.00 Jazz Night—Count Basie. 12.30 am Epilogue.

ULSTER

9.30 am Crisis—The energy question. 9.55 Larry the Lamb. 10.05 Fangface. 10.30 Sesame Street. 11.30 Salvage One. 5.00 pm Sports results. 6.30 Charlie's Angels. 8.00 Saturday Cinema—"The Man Hunter," starring Sandra Dee. 10.29 Ulster Weather. 11.30 Barney Miller.

WESTWARD

9.30 am The Lost Islands. 9.55 Look and See. 10.00 Rocket Robin Rood. 10.25 Gus HoneyBun's Birthdays. 12.27 pm Westward News. 5.14 Westward News and sports results. 6.30 B. J. and the Bear. 8.00 TV movie—"The Smugglers," starring Shirley Booth and Gayle Hunnicutt. 10.30 Saturday Night in the West. 11.00 Pro-Celebrity Snooker. 11.45 The Electric Theatre Show. 12.10 am Faith for Life. 12.15 West Country Weather and Shipping forecast.

YORKSHIRE

9.00 am Rocket Robin Hood. 9.15 Beachcombers. 9.40 Lucan. 6.30 pm A man called Sloane. 8.00 The Big Film —"The Man Hunter," starring Roy Thinnes and Sandra Dee. 11.30 Vegas.

RADIO 1

(S) Stereophonic broadcast

5.00 am As Radio 2. 7.00 News. 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. 1.00 pm Adrian Juste (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Rock on Saturday (S). 7.30-6.00 am as Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (S) including 8.03 Racing Bulletin. 8.06 David Jacobs with Star Sounds (S). 10.02 Pete Murray's Saturday Show (S). 1.02 pm Punch Line. 1.30 Sport On 2: Football Special (1.30, 1.50, 2.15, 2.45, 3.05, 3.45, 3.55, 4.42 and at 5.00, 5.45 classified checks; 5.55 highlights. Racing from Sandown (1.30, 2.10, 2.50); Motor Cycling (1.30, 2.00, 5.30) Austrian Grand Prix. Sports Report (5.00). 6.03 Pop Over Europe. 7.02 Three In A Row. 7.30 Big Band Special (S). 8.02 Saturday Night Gala Special (S). 10.2 Sentimental Journey (S). 11.02 Sports Desk. 11.10 Bob Kilbey with The Late Show (S), including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

†7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release of music by Beethoven (S). 11.15 Bandstand (S). 11.45 Diversions (S). 1.00 pm News. 1.05 Early Music Forum (S). 2.00 Play It Again (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 The Organ Works of J. S. Bach (S). 7.10 The Poetry of Walter De La Mare. 7.30 "Il re Pastore" (S), Opera by Mozart. 9.40 The Scholar-Critic: appreciation of the life and work of F. W. Bateson. 10.20 Piano Ballades (S). 11.00 The Waltz (monologue by Dorothy Parker). 11.15 Schubert (S) chamber music. 11.55-12.00 News.

VHF only—6.00-8.00 am Open University.

RADIO 4

6.25 a.m. Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport On 4. 8.45 Today's Papers. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service. 10.45 Pick of the Week. 11.35 International Assignment. 12.00 News. 12.02 pm Money Box. 12.27 Conversation Piece. 12.55 Weather; programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Wildlife. 2.30 Saturday Afternoon Theatre. 3.30 Does He Take Sugar. 4.00 News. 4.02 McCowan on St. Mark: An Actor's Commentary. 4.30 Time for Verse. 4.40 Music For a Living. 5.25 Week Ending. 5.50 Shipping forcast. 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs with Salvatore Accardo. 6.55 Stop The Week with Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Kaleidoscope. 11.00 Lighten Our Darkness. 11.15 Strangers on the Shore. 12.00 News.

TV RATINGS w/e April 20

UK TOP TWENTY (viewers m)

1	This Is Your Life (Thames)	18.10
2	The Benny Hill Show (Thames)	17.85
3	Coronation St. (Wed.) (Gran.)	17.10
4	Coronation St. (Mon.) (Gran.)	15.00
5	Crossroads (Wed.) (ATV)	14.85
6	Young At Heart (ATV)	14.35
7	Eurovision Song Contest 1980 (BBC)	14.10
8	Play Your Cards Right (LWT)	13.85
8	Hart To Hart (ITV)	13.85
10	The Kenny Everett Video Show (Thames)	13.75
11	The Nesebits Are Coming (Yorks)	13.56
12	Family Fortunes (ATV)	13.16
13	Shelley (Thames)	12.56
14	The Cannon And Ball Show (LWT)	12.50
15	Emmerdale Farm (Tue.) (Yorks)	12.25
15	Crossroads (Tue.) (ATV)	12.25
15	Emmerdale Farm (Thur.) (Yorks)	12.25
18	The Day Of The Jackal (ITV)	11.85
19	Wicker's World (Yorks)	11.80
20	Butch Cassidy And The Sundance Kid (BBC)	11.55

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

U.S. TOP TEN (Nielsen ratings)

1	Academy Awards (ABC)	33.7
2	Guyana Tragedy Part II (CBS)	31.7
3	Guyana Tragedy Part I (CBS)	28.9
4	Olivia Newton-John Special (ABC)	26.3
5	Carnival Of Thrills (CBS)	26.0
6	60 Minutes (News) (CBS)	25.4
7	Sunday Night Movie—The Sting (ABC)	24.9
8	Dukes of Hazzard (comedy) (CBS)	22.3
9	Three's Company (comedy) (ABC)	22.1
10	M.A.S.H. (comedy) (CBS)	21.5

CHESS SOLUTIONS

Solution to Position No. 317

1 K-K6, K-N3 (if K-B3; 2 R-QN3 cuts off the king); 2 K-Q7, B-N1; 3 P-R7! Resigns. If BxP; 4 K-B8 wins the bishop by zugzwang.

Solution to Problem No. 317

1 R-K3 (threat to 2 QxB mate), KxR; 2 K-N3, and if P-Q5; 3 Q-QB1, or if B moves; 3 Q-KB2.

COLLECTING

Through a glass darkly

BY JUNE FIELD

He finds is hard without a pair
Of spectacles to shoot a hare.
Heinrich Hoffman, 1847.

SPECTACLES HAVE been in existence for a long time, although their antecedents are not as clear as they might be. It has be ensaid that the early Greeks used a glass ball filled with water for magnifying purposes. Eye troubles were common among the Romans but although they had specifics to deal with them, no mention is made of actual aids to sight.

The Chinese were said to have used lenses ground *from quartz* or semi-precious stones, and Marco Polo records that when he visited China in 1270, he found elderly people used lenses for reading, which would be about the same time as they were used in Italy. (The word *lens comes* from the Italian for lentils, so in Italy spectacles originally were called glass lentils.)

Roger Bacon, English philosopher *writing in 1268* pointed out: "If anyone examines letters or other minute objects through the medium of crystal or glass or other transparent substance . . . they will seem larger to him." And Chaucer in *The Wife's Tale*, written about 1386, says:

Povert a spectallel is, as thinketh me
Thurgh which he may his verray frendes se.

Another reference was in a manuscript of 1415:

Right as a spectacle helpeth feeble sight
When a man on the book redith or write.

With the invention of printing, more people wanted to read books, so there was an increase in the demand for spectacles. But even so, many physicians were against their use. A Dr. George Bartisch of Dresden wrting in 1583 said "It is much better and more useful that one leaves spectacles alone."

By the early 19th century there was considerable advice available on how to deal with one's eyesight. "Plain rules, which will enable all to judge exactly when and what spectacles alone."

By the *early 19th century* there was considerable advice on how to deal with one's eyesight. "Plain rules, which will enable all to judge exactly when and what spectacles are best calculated for their eyes, and Precepts for the Improvement *and Presentation of Sight*" was the text of the first part of Dr. William Kitchiner's *The Economy of The Eyes*, 1824.

Round about this time eye*glasses were sometimes worn for affectation, or to give a look* of distinction, dignity and learning. For instance, the fashionable quizzing glass was basically *a magnifying glass in a gold* circular frame with a loop into which went a length of ribbon, inserted so that it could be worn round the neck.

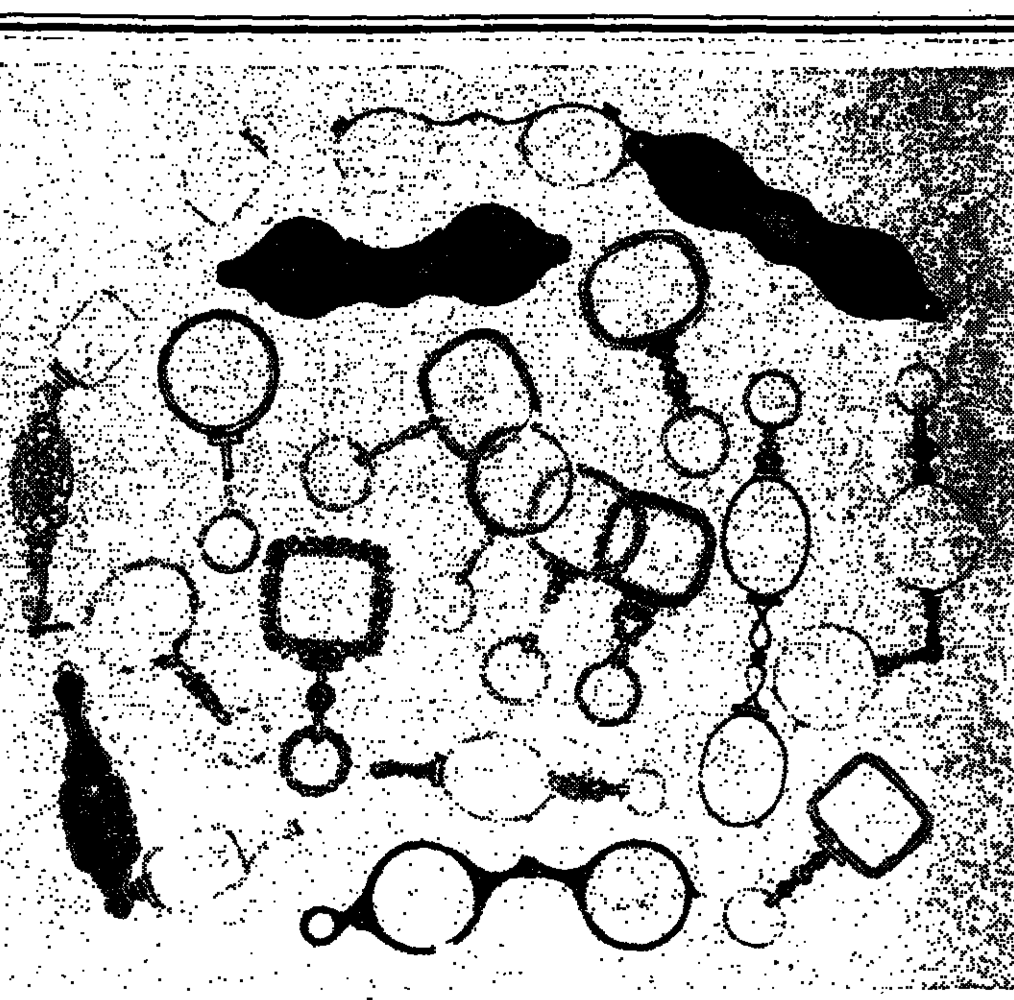
Later the *glasses were fitted* side by side, spectacle-style on a long stem, and became the lorgnette. One glass could be clipped over the other and released by pressing down a ring at the end of the stem. Used by both men and women, *the art of using this* type of glass became a highly complex social game, particularly in aristocratic circles. So much so that the author of the *Bazar Book of Decorum, 1870, cautioned: "The functions of* the natural eye and eyeglasses are much abused. It is quite clear thta the whole world of fashion has not all of a sudden *become so* afflicted with shortsightedness as to render the use of artificial means for its relief universally necessary."

In the late 19th century one *could order optical goods by* post, and in Chicago, USA, the Montgomery Ward and Company mail-order catalogue, 1895, had a good selection, plus a *special test-yourself chart—"for* old sight, near sight and astigmatism," which went: "The smallest size letters on this card should be read easily at fifteen inchest from the eye. If you cannot do so you should wear spectacles. It does not pay to *buy cheap spectacles.*"

On offer were solid gold spectacles with flat, straight, riding, hookbow, sliding or extension temples. *There were half-eye and pupit-pattern spectacles, and* "Coquille" spectacles for weak eyes, with shell-shaped, smoke *or blue lenses.* Frames could be vulcanised rubber, zylonite (celluloid), steel, bronze, or Aluminico (will not rust). Lenses could be crystal, peri*scopic, double or piano convex* or concave, and Brazilian pebble.

Shooting spectacles "improve the vision wonderfully when *viewing a field or landscape, and* prevent the eye from becoming affected by strong light, with amber shooting lenses," and miller's or stone-cutter's spectacles were for protecting the eyes from *injury*, with plain white lenses.

An interesting collection of 17 lorgnettes and eyeglasses in tortoiseshell, silver and silver-*gilt, c1830, are in a Sotheby's* Belgracia sale on Friday, 9 May at their Motcomb Street rooms. The overall estimate of £250-£350 seems more than reasonable. For reference sources, *Richard Corson's Fashions in Eyeglasses* (Peter Owen 1967), is still the definitive work; and there is an informative section on functional aids which *includes spectacles in* Elisabeth Bennion's magnificent *Antique Medical Instruments* (Philip Wilson/Sotheby Parke Bernet 1979). One of the most delightful collections of glasses of all *kinds I have seen is* the Musée de la Lunette, at Bodart's Opticians in the Rue Royale, Brussels; it comprises monocles, opera and field glasses, *binoculars, and lorgnettes.* The latter are tucked into fans, scent-bottles *nécessaires* and watches, so giving them a double use.



Collection of 17 eyeglass and lorgnettes, c1830, in a Sotheby Belgravia sale of general domestic items on Friday, May 9, at 19 Motcombe Street, SW1.

TELEVISION

JOHN BECKLEY

Views of a market

BEFORE the sun had set on the first day of the world's biggest television sales festival the Iranians had announced a boycott of all U.S. programmes. On the second day a *Saudi buyer* had a stand-up row with personnel from ITC, the sales arm of ATV which screeded Death of a Princess.

All this despite attempts by the organiser, M. Bernard Chevry, to keep the event apolitical. The Cannes based Marche International des Programmes *de Television (MIP) seemed* doomed to deteriorate into a political slanging match.

But Chevry need not have worried. Even in an industry so *prone to political* vageries as television, business is business, and commercial interest proved all-important.

If the Iranians stood by their boycott of U.S. product, they nevertheless bought heavily from Carter's western allies, in particlar the British. And whatever political pressures were brought to bear on the Saudis, it didn't keep the maway from the ITC cocktail party nor from *viewing programmes on the* ITC stand.

It is understandable though that the major TV companies were worried about Middle East reaction, for at a festival like *MIP it is these states that provide someof their major deals. It's not the world's most* lucrative market per hour of programme (Iran used to pay $1,400 per hour two years ago, now it's down to around $600) *but they bulk buy.* The business is worth having and it all helps to justify the high cost of 10 days on the Riviera.

Big companies—both buyers and salesmen — attend MIP largely for public relations *reasons. They can wine and* dine their big buyers and the world of television can see they are still in business. If, in the meantime, they happen to *pick up $2m of business, as several* of the big ITV companies claim they have done.. well, it's not to be sneezed at.

The volume of business done at *MIP* — estimated by the organisers to be $50m—is due mainly to the growing number of buyers attending. Ten more countries sent over buyers this year, *boosting the number to* 150 countries represented, and although all the new buyers are small fry compared with Western Europe or North *America they, like the Arabs*, bulk buy.

As well as the increase in broadcasting outlets in the world, the non-broadcast market too is proving significant. Several U.S. companies including *Home Box Office* and a smattering of Europepan buyers for video cassettes were waving their cheque books around. The British at the moment cannot *exploit these markets because* of union problems.

Celebrations

WHEN IT COMES to modern commemorative coins, there is no surer recipe for success than events connected with the Royal Family, but the timing of the issue itself is all-important. Three years ago the Isle of Man was first off the mark with silver crowns celebrating the Silver Jubilee. The proof version of that issue was oversubscribed within weeks and its price on the second market market had doubled before the Royal Mint had got aronud to releasing th eBritish crowns. I understand that the Isle of Man had hoped for another "first," later tha year, when they launched their Silver Jubilee Appeal coin, with a portrait of the Fund's patron, the Prince of Wales, on the

COINS

JAMES MACKAY

reverse. Approval for this design was declined by the Prince himself who probably felt that it would be like upstaging the Queen, in what was, after all, her big year.

Several countries have now issued coins portraying the Prince of Wales to mark the 10th anniversary of his investiture, or even anniversaries of their independence, over *whose celebrations the Prince* had presided, and there is every likelihood of this trend continuing, with an issue from Fiji believed to be imminent. Perhaps we may even see some princely coins from Zimbabwe in the fullness of time.

Having missed the boat over the Prince of Wales, however, the Isle of Man was determined not to be caught out again. While the Royal Mint is still in *the throes of settling its competition* for the design of the forthcoming British coins celebrating the 80th birthday of the Queen Mother, the Isle of Man has gone ahead and last week launched the first coins ever to bear her portrait. Originally the Royal Mint planned to issue their coins on or about the actual birthday—August 4—but hmave now revised their programme to launch the silver and cupro-nickel crowns before that date.

We are conditioned these days to have coins issued well in advance of the event commemorated (all those Olympic coins are a case in point), but when it comes to a birthday it seems to be tempting fate. On the other hand most people would take the view that the Queen Mother is long overdue for some form of nuismatic tribute and the coins should therefore be regarded as a *memento of a great lady who* has devoted most of her life to the public service, the actual birthday being purely incidental.

The new Manx coins have the standard obverse showing the profile of the Queen by Arnold Machin. The reverse, sculpted *by Barrie Stanton, bears a full*-face portrait of the Queen Mother flanked by the dates 1900 and 1980, with her title round

the top and the value "One Crown" at the foot. The coins are legal tender for 25p and, in fact, the ordinary version of the cupro-nickel crown will be available through the Isle of Man banks for that sum. There is, however, a wide range of collector versions in various metals and finishes, from the proof-like "diamond finish" crown in cupro-nickel to the sterling silver, multi-struck proof.

The violent fluctuations in the price of precious metal in recent months have induced the Isle of Man to vary the composition of both gold and silver alloys, with an eye on the collectors of modest means who *find that sterling silver and 22* carat gold are now beyond their reach. Consequently a non-proof silver version is being minted in .500 fine silver—the *alloy used for British coins* between 1920 and 1946. Apart from the obvious differences between an ordinary uncirculated coin and a proof, with its frosted relief on a mirror background, the coin in .500 silver bears a tiny numeran "5" to *the right of the date on the* obverse.

We have become so accustomed to think of a crown in terms of a large-sized silver coin that the new gold crown seems most unusual. In fact this issue *serves as a reminder that* the crown was originally a small gold coin, introduced in 1526 by Henry VIII as a rival to the popular *ecu de la couronne*, and which derived its name from the crown which was the principal motif on the reverse. It was not until 1551 that the large silver crowns were first minted and for many years thereafter gold and silver crowns existed side by side. Gold crowns were last *struck for general issue* in Britain in 1762.

The various editions of the Queen Mother crowns are now available from the Isle of Man *Treasury, Bucks Road, Douglas*, Isle of Man, or direct from the Pobjoy Mint, Oldfields Road, Sutton, Surrey. During the ceremony *of striking the first coins at the mint last week* Mr. Percy Radcliffe, chairman of the island's Finance board, hinted that his budget next month would contain some radical changes. Perhaps he had in mind a drastic reduction in the island's already low rate of income tax; if the demand for the Queen Mother coins comes up to expectations I should think he could afford it.

BRIDGE

E. P. C. COTTER

I THOROUGHLY enjoyed reading Ron Klinger's **Winning Bridge—Trick by Trick** (Gollancz £3.95), and I was impressed by his desire to instil some form of logical analysis into the aspiring student of the game. At various stages during the play of a hand questions are posed, questions which are simply the translation into words of the thoughts which pass through the mind of an expert.

Let us consider a couple of no trump contracts. This first example was dealt by North with both sides vulnerable:

	N	
	♠ J 8 7 2	
	♡ A	
	◇ 6 5	
	♣ A K 9 8 6 3	
W		E
♠ 9 4		♠ A 10 6 5 3
♡ Q 8 6 5 3		♡ 7 4 2
◇ K J 10 7		◇ A 8 3 2
♣ Q J		♣ 5
	S	
	♡ K J 10 9	
	♠ K Q	
	◇ Q 9 4	
	♣ 10 7 4 2	

North opened the bidding with two clubs—a Precision bid showing 11-15 points and at least five clubs. South replied with two diamonds, a relay bid, asking partner to give further information, and North showed his four-card spade suit by bidding two spades. South then *rebid two no trumps, which is* invitational, not forcing, and North feeling optimistic said three no trumps.

West starts off with the spade nine. You are sitting East—what do you do, win or duck? Your partner's lead shows that there *is no future in* spades, so you take your Ace, and have to decide whether to return a heart or a diamond.

What are the advantages of a *heart switch? A possible advantage* is that you might cut off the declarer, holding, say, Queen and another club, from dummy's suit. On the other *hand it might be disastrous.* If the clubs run, declarer will *make nine tricks without difficulty.*

What, then, is your best move? Cash the diamond Ace, and let partner tel you what to *do. West drops the diamond* Knave—this won't cost a trick if East has four diamonds, and if East has only three diamonds, dropping the seven will not be *any help.*

Now for the second example:

	N	
	♠ Q 9 6 5	
	♡ K Q 9 8	
	◇ 6 4	
	♣ J 10 3	
W		E
♠ A J 7		♠ 8 4 3 2
♡ 7 4 3		♡ J 10 2
◇ K 10		◇ Q J 9 7
♣ K 8 6 4 2		♣ 9 7
	S	
	♠ K 10	
	♡ A 6 5	
	◇ A 8 5 3 2	
	♣ A Q 5	

At game all South bids one no trum, North tries a Stayman two clubs, rebids two no trumps after the two diamond response, *and South goes on to three no* trumps.

West leads the four of clubs, dummy's Knave wins the trick, and East follows with the seven. You have six immediate winners. Which suit do you tackle first? Hearts, if they *break, can provide* one *extra* trick, if diamonds break, they could provide two extra tricks, but the disadvantage is that East may get in and push through a club, which will be inconvenient.

What about spades? They could provide three tricks if East has the Knave and only three cards. Besides, if the ten loses, West cannot continue clubs profitably.

Then play a spade to your ten—West wins with the Knave, and returns the seven of hearts. Win this in hand and play the spade King. This holds, so cross to dummy with a heart, and lead the spade Queen, throwing a diamond from hand.

West wins and leads the diamond King. Do you win or duck? If you win, you must rely on the heart break; if you duck, you create new options.

West *now leads the diamond* ten. Win or duck? Duck again—then you will be able to test diamonds first. When they prove unfavourable, you get *home because the hearts do* break.

CHESS

LEONARD BARDEN

An index of Russia's continued supremacy in world chess is that, by and large, Soviet players still come at the top in the second line grandmaster and master tournaments on the world circuit. Thus in recent months Vaganian won in *Las Palmas, Tukmakov in Malta*, Kupreychik in Reykjavik, Belyavsky in Bucharest.

They have more setbacks than a decade ago, and some of these *have proved embarrassing.* Results from Lone Pine, the prestigious Swiss system event worth $15,000 for the winner, were heavily censored in the Soviet Press. Geller, the reigning USSR champion, said the reports, lost in the final round to Tony Miles of Britain and finished equal third, alongside his Soviet compatriot Balashov.

What the reports could not mention was that Lone Pine 1980 went to a USSR emigre, Dzindzihashvili, formerly of Georgia. Miles was second, while another ex-Soviet GM *Alburt, tied for third with* Balashov, Geller, Gheorghiu and Larsen.

The successes of *both* younger Soviet players and emigrants indicate the enormous strength in depth of USSR chess. This *is still more marked in women's events and only* at the younger junior levels, where Britain is in front, has Russia's lead disappeared.

Much was made in West European chess journals of the fact that England were ahead of the USSR on the top four boards *in the European championship* at Skara. Skara was a fine achievement but for evidence of a really convincing challenge one would also look for British players at or near the top in second line events, and for clear supremacy over the strong West European chess nations Holland and West Germany.

At *present our lead is only a* narrow one. At last month's EEC Championship in Berlin, Britain and West Germany tied with 23½ out of 32, Britain *winning the title by virtue of a* 3—1 victory in the individual match. In the six-nation women's team event at the Grand Hotel National in *Lucerne, a superb venue which* is likely to stage the 1982 chess olympics, Britain were a narrow third to Holland and West Germany. The Russians would expect to outclass such opponents

The two games this week are glimpses of England's target—Miles's win over Geller and a top board victory against the winning team in Lucerne.

White: A. J. Miles (England). Black: E. Geller (USSR). Catalan (Lone Pine 1980).

1 P-QB4, P-K3; 2 P-KN3, P-Q4; 3 B-N2, N-KB3; 4 N-KB3, B-K2; 5 P-N3; 0-0; 6 B-N2, P-B4; 7 0-0, N-B3; 8 P-K3, P-Q5 *(Geller likes this advance, but* it concedes White the K4 square.

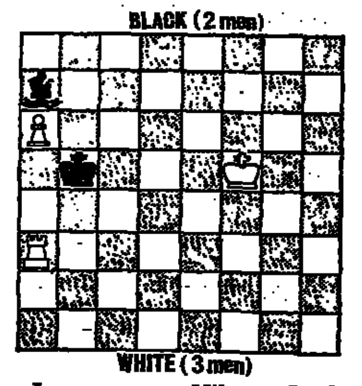
The symmetrical P-N3 is safer): 9 PxP, PxP; 10 R-K1, *R-K1; 11 P-QR3, P-QR4*; 12 P-Q3, B-B4; 13 QN-Q2, P-K4; 14 N-N5 (homing in on the white-square weaknesses), B-KN5; 15 B-KB3, BxB; 16 QxB, P-R3; 17 KN-K4, NxN; 18 NxN, B-B1; 19 B-B1, R-K3; 20 P-KR4! (the K-side attack is stronger than Black's on the other flank), B-K2; 21 P-R5, Q-KB1; 22 Q-B5, R-N1; 23 P-KN4, P-QN4; 24 K-R2, PxP; 25 NPxP, R-N6; 26 R-KN1, BxP (or RxQP; 27 P-N5 with a winning attack); 27 RxB, RxR; 28 BxR, QxB; 29 P-N5, Q-B1 *(Geller had planned N-K2* but missed 30 Q-B3, PxP; 31 NxP threatening both Q-R8 ch and QxP ch); 30 N-B6 ch! PxN; 31 PxRP dis ch, K-R1; 32 R-N7, QxR; 33 PxQ, ch, KxP; 34 Q-N4 ch, K-R2; 35 P-R6, KxP; 36 Q-N8, R-K3; 37 Q-QB8, R-K3; 38 Q-R8 ch, Resigns. If K-N3; 39 Q-N8 ch and 40 QxP when the defences collapse.

White: Sheila Jackson (England). Black: Corrie Vreeken (Holland). Ruy Lopez (Lucerne 1980).

1 P-K4, P-K4; 2 N-KB3, N-QB3; 3 B-N5, P-QR3; 4 B-R4, N-B3; 5 0-0, P-QN4; 6 B-N3, B-N2; 7 P-B3! *(a little-known line which* is superior to the book 7 R-K1, B-B4), NxP (B-K2 is safer); 8 P-Q4, P-Q4; 9 R-K1, B-K2; 10 PxP, N-R4; 11 B-B2, 0-0; 12 N-Q2, NxN (the pawn offer P-KB4; 13 PxP, e.p., BxP is a better practical chance); 13 QxN, P-QB4; 14 Q-Q3, P-N3; 15 B-R6, R-K1; 16 P-K6! (exploiting the QB's absence), B-KB3; 17 PxP ch, KxP; 18 RxR, QxR; 19 R-K1, Q-Q2; 20 N-K5 ch, BxN; 21 RxB, R-K1; 22 Q-B3 ch, K-N1; 23 Q-B6, Resigns.

POSITION No. 317

BLACK (2 men)



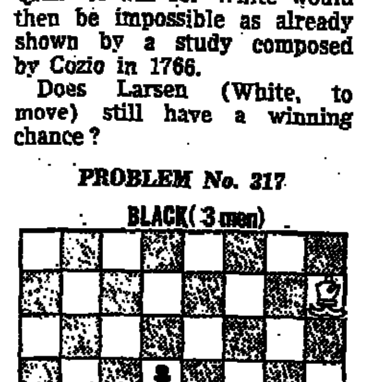
WHITE (3 men)

Larsen v. Miles, Bled/Portoroz 1979. After clever defence in a poor position, Tony Miles seemed to have reached the haven of a draw in this diagram. Black's plan is to retreat the king to N3, move the bishop, then blockade White's pawn with the king at QR2. A win for White would then be impossible as already shown by a study composed by Cozio in 1766.

Does Larsen (White, to move) still have a winning chance?

PROBLEM No. 317

BLACK (3 men)



WHITE (4 men)

White mates in three moves at latest, against any defence (by H. Zajic).

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The alliance comes first

THE FRUSTRATION of President Carter during the five months that he has vainly struggled to secure the release of the American hostages has been understandable. So is the fact that his patience finally snapped. But the risk of any Entebbe-style operation to lift the hostages out of Tehran has always been that it had to succeed. If the hostages were now free and outside Iran there would be relief across the western world and wild cheering in the U.S.

Humiliation

As it is the equipment failure that doomed the mission even before it had really moved into action and the loss of eight American lives before any Iranian troops had been sighted must confirm the worst fears of America's allies of inept leadership in Washington. President Carter's open admission that he carries responsibility does not diminish the damage. The failure has weakened President Carter as a President, it has caused further divisions amongst the western allies and it has enhanced the image of the Soviet Union as a power that can—and did in Afghanistan—demonstrate its strength with success. The hostages are further away than ever from being released. Instead it is the militant Iranian students who are again on the streets in Tehran exalting in their further humiliation of the U.S.

The collapse of the operation effectively rules out the possibility of the U.S. further resorting to force against Iran. In that sense it is a blessing. Any attempt to blockade the Iranian coast with mines—which is where U.S. policy seemed to be heading—has always been fraught with the risks of a wider conflagration in the Gulf and of pitting the West against its major oil suppliers. President Carter ended his broadcast yesterday on the note that the U.S. was still determined to secure the hostages release through "peaceful and diplomatic" means. That phrase was clearly directed more at the European allies than it was to the U.S. people.

Criticisms

The major task now before the European leaders at this weekend's Brussels summit must be to explore what means are most appropriate and to see how the damage to the alliance and its image in the world can be repaired. Whatever criticisms European governments have of the American action, the first priority must be to maintain the alliance intact.

The Europeans had, under American pressure, agreed to go along with sanctions in the hope of preventing the U.S. from resorting to military action.

Now many European governments are bound to raise fresh doubts about whether to press on with economic sanctions. These have never seemed likely to succeed because of the obvious possibilities of leakages through the Soviet Union and Iran's neighbours who are opposed to them. They are more likely than ever to drive the Iranians towards the Soviet Union and less likely to obtain the freedom of the hostages now that the militants in Iran have smelt the sweet smell of successful defiance of the U.S.

European leaders must put these points to the U.S. in the spirit of allies worried by the direction of American policy over Iran and that U.S. pre-occupation with the hostages is deflecting attention from the more important strategic issue of preventing the extension of Soviet influence in the region beyond Afghanistan. The U.S. seems likely, however, to continue to press for the imposition of sanctions as a test of alliance loyalty. If that is the case then the issue of the hostages must become one in which policy is set after full consultations with the allies. After the failure of the rescue operation, neither Europe nor Japan can be expected to follow blindly U.S. unilateral action in a region of such importance. The hostage issue thus becomes a test of U.S. willingness to submit to the disciplines of an alliance.

Soviet success

For both the U.S. and the EEC the most difficult task ahead will be to demonstrate to their friends around the world that the alliance is not as impotent as the abortive Teheran mission implied. There is no avoiding the comparison between the bungling of U.S. policy in Iran over the past two years and the single-mindedness of purpose with which the Russians have occupied Afghanistan and shown their determination to stay. Inevitably the image of Soviet success is bound to weaken western influence in the Gulf and South West Asia as it also strengthens the Soviet Union's bargaining power.

There is no easy way of reversing this process. The NATO alliance was designed to contain the Russians in Europe. The allies do not have a credible network of allies among developing countries. They have no mechanism of consultation on how to respond to Soviet encroachment in Afghanistan or South East Asia. The need to establish such building blocks is now greater than ever. A casualty of President Carter's misadventure may be that it will prolong the time before the West can resume detente with the Russians because of the greater need to demonstrate worldwide the West's readiness to stand up to the Soviet Union.

Jubilant crowds at the U.S. embassy in Tehran yesterday after news of the failed rescue.

How Mr. Carter reached his Bay of Pigs

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT CARTER went on a world-wide television hook-up yesterday morning with three messages. The first, to the American people, was that the dramatic Entebbe-like raid to try to spirit the hostages out of Tehran had been necessary and it had failed with the loss of eight American lives through sheer bad luck. The second, to Iran, was that it should take no reprisals against the hostages because the U.S. still sought a peaceful end to the crisis. The third was to the U.S. allies in Europe and Japan, and said that their support on economic sanctions was more urgent than ever now.

The President said the responsibility for the attempted raid was "fully my own," clearly wanting to be seen to take the rap right on the chin but seeking then to show that circumstances had not greatly changed. In fact, almost every factor in the equation of this crisis—which since November 4 when the U.S. embassy was seized, has been inching nearer and nearer endangering world peace—has now altered.

The immediate concern is, of course, how the Iranians now react. Mr. Carter bent the truth a fraction when he stressed yesterday that the mission had not been directed in any way at the Government or people of Iran. At the same, he emphasised the operation, long prepared, had in recent days become vital to attempt because of the "steady unravelling" of authority in Tehran.

The Administration's fear is not so much that Iran will now harm the 53 hostages themselves. This was the worry bitterly expressed yesterday by the hostages' families, but Iran is believed to want the imprisoned Americans safe and sound for its political reasons. The fear is that the abortive raid has immeasurably set back negotiations for their release.

For instance, one State Department official predicted that the hostages might now be "scattered" to a number of locations to prevent the U.S. trying another lightning raid on the embassy compound.

President Carter will be in deep trouble at home, if the domestic reaction takes its tone from the immediate comments of those most intimately affected by the failed raid: The relatives of the hostages and the eight air crewmen killed in the accidental collision in Tabas, the intended staging post for the assault on the embassy in Tehran.

"Another incredible bungle" by Mr. Carter was the comment of one hostage relative yesterday. Another pleaded "better a few months than a few lives." But two of the politicians vying to succeed Mr. Carter as President, Senator Edward Kennedy and Republican George Bush, said the appalling incident should not become campaign ammunition.

There is a strong instinct to rally around President and flag in the immediate wake of foreign policy fiascos. This

The immediate concern is of course, how the Iranians now react

showed with President Kennedy over the 1961 Bay of Pigs debacle, and with President Ford over the costly freeing of American seamen during the 1975 Mayaguez incident. Patriotic sympathy for Mr. Carter of a non-partisan kind may linger longer in this crisis, because of its greater consequences for world peace and because the crisis is now more acute than ever.

But the question will now inevitably be asked: is Mr. Carter a bungler or the jinxed victim of appalling bad luck? Either way, a majority of the American electorate, who have so far given Mr. Carter their confidence in most of the primary elections in this election year, may now decide they cannot afford him in the White House for a second four years.

Mr. Carter said it was "equipment failure" that caused him to abort a difficult and tricky mission which nonetheless had "an excellent chance of success." But this will be beside the point to his critics who will simply add this failure to other foreign policy mistakes of the Carter Administration—the erroneous vote against Israel in the UN last month, the apparent indecisiveness of the President on the issue of Russian troops in Cuba last autumn, erratic treatment meted out to the ex-Shah—and conclude the sum reflects the deep-seated flaw of a weak president.

It has been, and will be, the unfortunate lot of Mr. Carter to be sniped at from both sides on his Afghanistan/Iran policies: by those who say he should have taken a tougher action months ago against Tehran—and by those who counsel that for a superpower 53 lives are in the final analysis less important than not driving Iran into the waiting embrace of the Soviet Union.

But Mr. Carter's authorisation of covert military action against Iran was probably consistent with a broad section of American public opinion in the middle. Opinion surveys in recent months have shown a narrow majority of Americans in favour of forcible means to end an endless crisis, even if the hostages are put in some danger.

President Carter's popularity is almost certain to fall—but it has some way to go before touching bottom. Half way through the primary season, he has a wrestler's lock on the Democratic Party nomination, which even Senator Edward Kennedy's razor-thin victory in Pennsylvania has not loosened. The senator's policy of negotiation with Iran on the hostages is too close to the President's for him to capitalise much on the latest turn of events. Mr. Ronald Reagan, the probable Republican nominee, can score off Mr. Carter for his weakness: but the full election campaign is still four months away.

This is not to say that Jimmy Carter is not going to have to bear some bitter recriminations, at home and from U.S. allies abroad. Senator Frank Church, chairman of the Senate Foreign Relations Committee, led the charge yesterday accusing the President of breaking the law of the 1973 War Powers Act, by not consulting Congress first before committing U.S. forces abroad. By coincidence or not, the Foreign Relations Committee demanded only a few hours before the raid was launched consultations by the White House about the President's repeated threat of military action against Iran.

The charge is probably disingenuous. Had the Iran raid succeeded, the Senate would almost certainly have shut up in relief at the ending of the crisis.

A White House official commented yesterday rather sadly that the same reaction would have been true of the allies: "The Europeans would have applauded if we'd pulled it off." The same man said theallies, who were not consulted at all about the raid, had no reason to feel put out. "We, the U.S., are the aggrieved party," and maximum secrecy was needed.

For once, the Administration seems united behind its president. Some White House middle level officials had complained only on Tuesday of their worries that Mr. Carter's threat of a naval blockade against Iran was leading the U.S. down a slippery slope to war and oil chaos in the Persian Gulf. They were flatly reassured by Mr. Zbigniew Brzezinski and Mr. Hamilton, the Chief of Staff, that Mr. Carter had decided nothing about military action.

Thus, in a sense, they like the rest of us, were kept in the dark about the secret rescue bid to Tabas. But this seems unlikely to provoke the sort of

Had the Iran raid succeeded, the Senate would . . . have shut up . . .

White House resignations that followed the "secret" Nixon/Kissinger invasion of Cambodia in 1970.

The European Community and Japan may reasonably fell, however, that the Carter Administration led them up the garden path by giving them to believe that following the U.S. lead on economic sanctions against Iran would head off precipitate military action, even of a limited kind.

What should really worry them is the implication of President Carter trying a desperate military stunt at this precise juncture. For it implies that the White House does not believe that co-ordinated sanctions against Iran will get the hostages free, or at least not in a tolerably short period of time.

Perhaps had the EEC decided to go for full trade sanctions immediately on Tuesday in Luxembourg, Mr. Carter might have stayed his hand. But one White House source said yesterday the green light for the Thursday night operation was given in fact before the Luxembourg meeting.

The move was based on an evermore sombre assessment in Washington of the political situation in Iran, with the growing failure of President Abol Hassan Bani Sadr to impose the Government's will on the militants holding the U.S. embassy, of the increased clashes with Left-wing students at Tehran university and the lack of a clear sign that order might be restored when the Iranian Parliament eventually meets.

The Ayatollah Khomeini had said the Parliament would decide the fate of the hostages. But one nightmare of U.S. officials is that the Iranian legislature might simply set up some inquiry into the iniquities of the U.S. and the ex-Shah and pass the buck further into an indefinite future.

However, if Mr. Carter felt he could not wait for allied economic sanctions to take their slow toll of Iran's will, one can at the same time conclude the Administration has recognised that almost anything is preferable to full-scale military action in the Gulf.

Iran's ability to stop the U.S. mining its ports, or the Tehran Government's counter-threat of blocking all oil leaving the Gulf, are taken lightly in Washington. The Iranian Navy is now about "as effective as champagne corks," a State Department official said derisively this week.

But the danger of opening up opportunities for the Soviet Union to enter the lists on Iran's side in a confrontation is weighed very seriously in Washington. Thus, the U.S. and its allies are still at one on the basic premise that the Kremlin is the real threat to the West, not the Ayatollah Khomeini.

Decisions the EEC leaders face now

BY JOHN WYLES AND GILES MERRITT IN BRUSSELS

PRESIDENT Carter's abortive effort to rescue the American hostages will cast a long shadow over the two day EEC heads of government meeting starting in Luxembourg tomorrow.

Like its predecessor in Dublin last November, this summit was expected to be dominated by efforts to negotiate the Community out of the paralysing dispute over Birtain's demands for a big and lasting reduction in its budget payments to Brussels. Like the Dublin gathering the outcome seemed increasingly difficult to predict. Following this week's frustration of French demands for a package deal involving prior agreement on farm price increases the possibility of an agreement increasingly depended on how far Mrs. Margaret Thatcher, the British Prime Minister, and President Giscard d'Estaing could reach any last minute accommodations around the Luxembourg negotiating table.

By late last night it began to appear that events in Iran allied to strenuous efforts by the Italian Government, whose Prime Minister will chair the summit, may make just such an accommodation possible. If the Community's burst of last-minute activity, which may include a scratch meeting today of EEC Farm Ministers, bears fruit then Government leaders can proclaim the beginning of the end of a family squabble and devote more of their time in Luxembourg to the grim international situation.

Meanwhile, President Carter's first taste of reaction from his European allies came yesterday at the Brussels headquarters of the North Atlantic Treaty Organisation. Ambassadors of European countries linked by the military alliance expressed "sympathy and support" for the U.S. Sympathy it seemed could be more confidently expressed than support since allied Governments' reactions Luxembourg to the grim international situation.

It is obvious that the heads of government will want to discuss President Carter's unhappy initiative and any Iranian response which might have emerged. It is also obvious that on this topic at least they will want to maintain the united front which was somewhat painfully erected by the Community's foreign ministers in Luxembourg last Tuesday when they adopted a two-stage plan providing for full-scale

. . . the EEC . . . will want to show some healing of its self-inflicted wounds . . .

economic sanctions against Iran from the middle of next month.

The behind-the-scenes reaction from several EEC capitals yesterday indicates a strong feeling that the debacle in the sands of Tabas shows scant gratitude for allied efforts to rally around the U.S. If the U.S. mission had met with success then the heads of government would have been the first to applaud it and to forget Washington's failure to consult them. But in the privacy of the Luxembourg conference room it will be surprising if there is not some opinion that a bungled operation whose consequences could expose the world and the alliance to yet further strains is barely tolerable.

As a result, the allies' virtually non-existent confidence in President Carter's handling of the hostage crisis looks likely to evaporate altogether. However, this will not necessarily mean any substantial change in the public stance of these nine, increasingly troubled, heads of government. The statement on the American action issued by the Danish Government yesterday implicity questioned whether the Community should proceed with its sanctions policy, a view which will certainly attract some discussion.

But after impressively forging this historic joint action last Tuesday, it is inconceivable that the Nine will jettison it, despite the evidence of the last few days that it might be pushing Iran into the arms of the Soviet Union. They have put their shoulders behind the sanctions wheel because President Carter asked them to, not because they thought it would work. However reluctantly—and Denmark could well be joined by France as leading the most reluctant—shoulders will stay in position because the alternative of fracturing the alliance by breaking ranks with the U.S. remains unthinkable for West Germany, Ireland the UK and the Benelux countries.

But it could be that the EEC will try to extract a higher price for the support they are extending with so little conviction. In the first place, President Giscard, Chancellor Helmut Schmidt and others may well want to send a blunt message to Washington that the obligations of alliance rest on all members and that closer and more effective consultation and co-ordination with allies should henceforth be the order of the day.

Secondly, they will want to hold President Carter to the apparent commitment given in his agonising statement yesterday that the U.S. will seek to resolve the crisis "without loss of life through peaceful and diplomatic means."

There was speculation in Brussels yesterday that publicly the summit would express sympathy and understanding for the American action coupled with another appeal to Iran to free the hostages. But it was thought possible that the appeal might also be extended to the Soviet Union which could be urged to use its best efforts to help resolve the crisis.

Should French reservations over the U.S. incursion into Iran force the EEC heads of government at Luxembourg to adopt an ambiguous position vis-a-vis the U.S., the spotlight will no doubt shift to NATO in which France is not a military member. May 13-14 is the date scheduled for the meeting in Brussels, first of the Defence Ministers of the military alliance, who are grouped in the Defence Planning Committee (DPC), and then of both Foreign and Defence Ministers in special joint session.

The joint meeting was agreed only earlier this week following U.S. insistence on the need for NATO "to underscore its common response" to the Soviet invasion of Afghanistan. For however difficult the Carter Administration's position now is regarding the European allies, thanks to the unilateral rescue operation and its failure, the point that the U.S. will continue to hammer is that Afghanistan is the fundamental issue. To American eyes, a U.S. official at NATO suggested yesterday, Afghanistan is the strategic problem that threatens to destabilise the Indian Ocean area while Iran for all its powderkeg dangers ismore of a tactical sideshow.

That emphasis by the U.S. Governmet is understandable enough, even if some Europeans are already pointing out that it is being pushed even harder now that the U.S. has severely compromised the moral upper hand it had in dealing with the Iranians. But leavings aside the wrangling that can be expected between the U.S. and its European allies, the more important question is the degree to which NATO, and thus the bulk of the EEC, has already been drawn into endorsing U.S. policy.

If the EEC is keen to maintain unity on Iran, it seems equally likely that it will want to show some healing of its self inflicted wounds stemming from the UK's budget grievance. Since the beginning of April there has been a noticeable increase in optimism about the prospects for a settlement which owes a great deal to the gathering Iranian crisis and President Carter's pressure for alliance solidarity.

"Because of the external pressures we must not at this time allow ourselves to be seen to be divided over a relatively minor domestic issue, even if it does raise some important principles for the Community," said one Irish diplomat yesterday. This is almost certainly the consensus view among heads of government but it does not in any way mean that the summit will produce a miraculous settlement

The progress can be summed up as follows. "There is general agreement among all members including the French that the UK's anticipated £1.1bn net pay-

". . . we must not . . . be seen divided over a relatively minor domestic issue . . ."

ment to Brussels this year is excessive and ought to be reduced. There is similar agreement that about £300m can be wiped off by changing the so-called Dublin financial mechanism negotiated in 1975 which has failed to work in the way originally planned. There is also a unanimous view that Britain's payments can be further reduced by raising community spending in Britain through adoption of a special regulation. The decisions to be taken by heads of government concern hown much money should be wiped off the British net contribution and for how many years.

Some behind-the-scenes progress has been made on this promise by Mrs. Thatcher has signalled her readiness to compromise by abandoning any suggestion that she wants a "broad balance" between payments to and receipts from Brussels. A speculative, but well informed, view that she would accept a £700m reduction in payments providing the duration was satisfactory and providing there is some real prospect of the Community changing its budget priorities so that agriculture ceases to claim community spending.

With skilful negotiation and a little more sensitivity than she showed in Dublin, there is every chance that Mrs. Thatcher can win her £700m at least from seven other members. France, however, has a definite price tag: Britain should not spike its attempts to win a 5 per cent increase in farm prices which might be allied to an economy package of unspecified and possibly dubious effectiveness in curbing the rising costs of the Common Agricultural Policy. In addition, there must be some prospect of an end to the Anglo-French sheepmeat row.

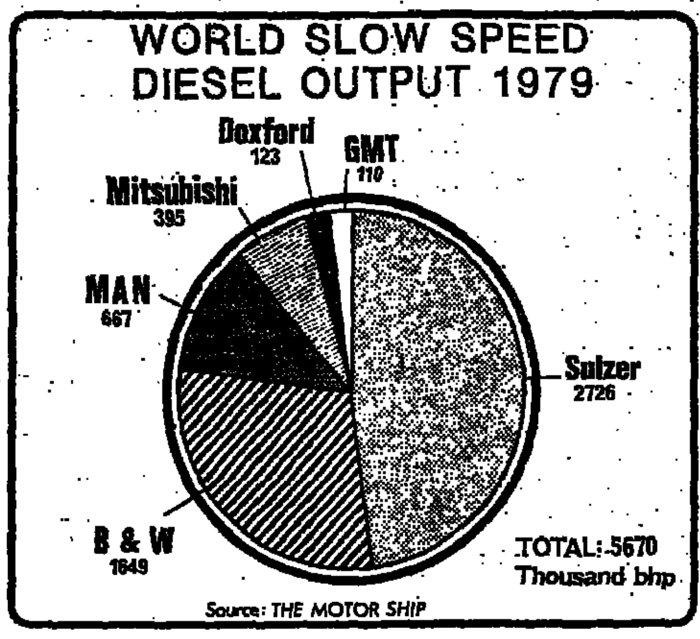
There will be no agreement unless France is accommodated but heads of government can hardly be expected to busy themselves tot he arcane minutiae of the CAP. As a result the bid to secure a settlement will focus on a reduction in the UK's 1980 budget payments. France's agreement will be made conditional on a satisfactory farm price settlement, possibly in the second week in May. The question of how long the British deal should last could well remain unresolved and be left for final settlement at the next summit in Venice in June.

هكذا من الأصل

THE CLOSURE OF WM. DOXFORD AND SONS • BY WILLIAM HALL, SHIPPING CORRESPONDENT

How a great marine engine died

"When I tell you that Doxford engines representing almost 2m horsepower are now on order, you will appreciate the value to us of our many licencees throughout the world who have helped to popularise it and maintain its reputation as the foremost marine oil engine of the day." Chairman's statement, November, 1952.



Source: THE MOTOR SHIP

THE IMMINENT death of the Doxford, the only British competitor in the world of large marine diesel engines and part of British Shipbuilders, is seen by many as a national tragedy. Others, less emotionally involved, wonder why the death sentence has taken so long to be passed.

Doxford engines have always had a reputatio of being "an engineer's engine" — big and reliable. Well over 500 ships are still sailing around the world with British-designed Doxford engines an dsome shipping companies, such as Bank Line, refuse to use anything else.

At one stage in the 1930s, 90 per cent of the world's marine diesel engines were either being built, or designed, by the Wearside firm of William Doxford and Sons. Even after World War II, Doxford diesels led the world, and over two dozen licensees both her and abroad vied for the privilege of buildig the famous Doxford "Cathedral" engine. It was higher than a three storey house.

In the late 1940s and early 1950s Doxford was producing between 50 and 60 engines a year and making handsome profits. However, its position as market leader was being challenged by foreign marine diesel engine builders such as Switzerland's Sulzer Brothers, and Denmark's Burmeister and Wain.

By the early 1960s Doxford's share of the world market in terms of horsepower installed had fallen to under 1½ per cent and has remained at about this level ever since.

Today, the market for slow speed diesels (some two thirds of the total marine diesel market) is dominated by Sulzer Brothers (48 per cent), Burmeister and Wain (29 per cent) and MAN of West Germany, with 12 per cent. The latter has virtually taken over Burmeister and Wain in recent months.

The gap between the industry leaders and Doxford is immense. According to The Motor Ship magazine, 175 Sulzer-designed slow speed diesels of 7,726,000 bhp were installed in 1979 and over 90 per cent of these were built under licence, providing Sulzer with around £15m a year in royalties.

By contrast, Doxford built 13 engines of 122,000 bhp in 1979 and none of these were built under licence. Nine months ago the company ran out of orders—a victim of the world shipbuilding recession.

To tide the company over, British Shipbuilders authorised

Doxford has lost money in virtually every year for the last decade . . .

the manufacture of three engines for stock and mounted an intensive marketing campaign. Over the last year Doxford salesmen have made 24 overseas visits and participated in close to 200 sales meetings in the UK with various British and foreign shipowners. The net result is one new order in two and a half years.

The Doxford workforce was cut by nearly half last year and for the last six months the remainder has been working a four-day week. This week British Shipbuilders decided to call it a day and proposed that engine production at Doxford's Sunderland plant should cease in September and the workforce run down from 750 to 250.

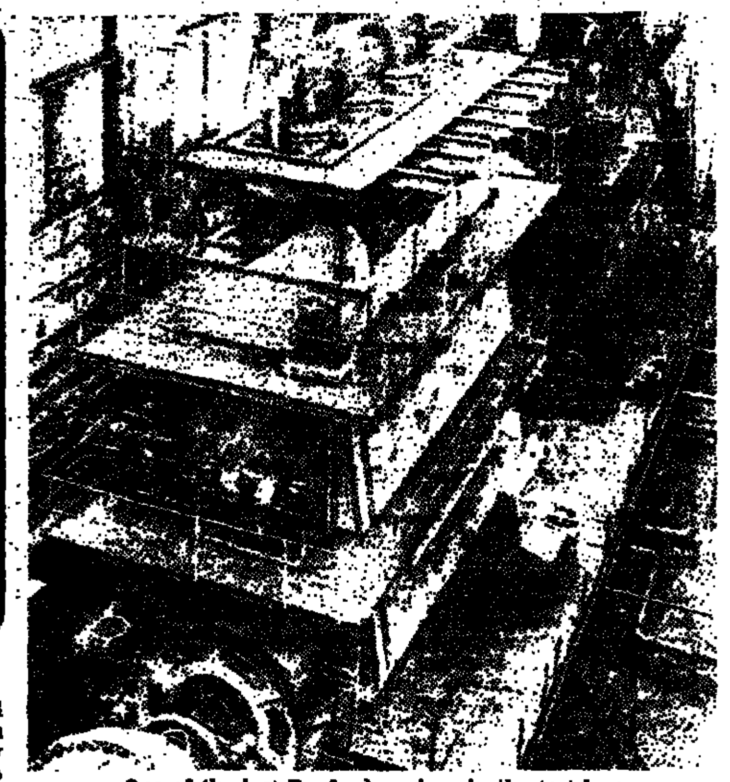
The plant will continue to make spares for existing Doxford engines and some workers will be offered jobs at the former George Clark works of Clark Hawthorne at Wallsend on the Tyne.

Doxford has lost money in virtually every year for the last decade and in 1979/80 notched up losses of £4½m. For years it has been starved of investment and its machine tools are so out of date that many engineers believe that it would be impossible to build modern Sulzer-type engines at Doxford's works.

Over the last seven years a total of £1.6m has been spent on new equipment and another £1.2m on research and development. This is trivial in relation to the sort of money that Doxford would have to spend if it was to stand a chance of re-establishing itself as a major competitor of Sulzer and B. and W.

Mr. Leo Curran, who was hired from Plessey to head British Shipbuilders' engine building side last year, estimates that something like £10m-£12m would have to be spent on new equipment and a minimum of £5m a year on research and development, if Doxford was to get back among the big league diesel engine builders.

British Shipbuilders does not have this sort of money to spend given the very strict financial limits imposed by the Government. The entire capital investment of British Shipbuilders is running at under £30m a year currently. The money, it is far from sure that its investment would pay off.



One of the last Doxford engines in the test bay.

Given the proud history of the Doxford engine, the decision to stop producing them is bound to be criticised. But the sad fact is that Doxford lost its way 15 years ago and has been living on borrowed time ever sinc.

In the 1930s the Doxford diesel engine was the most advanced in the world and the credit for this must go, not to an Englishman, but to a Swiss, Otto Keller, who was Doxford's technical director for many years.

He pioneered the oppesed-piston engine, the key to Doxford's early success. Keller died in 1942 and was replaced by another designer who lacked his innovative flair. In the early post-war years Doxford, which was primarily a shipbuilding company which happened to build engines, was swamped with orders and the growing obsolescence of the engine was disguised.

As more and more power was required, Doxford simply increased the size of the engine. This led to serious crankshaft problems and ships began to break down. In 1958 Doxford decided to inject some new blood into the ailing engine building company, in an attempt to re-establish its world reputation, and hired Mr. Robert Atkinson (now a candidate to take over as chairman of British Shipbuilders).

Under Mr. Atkinson, Doxford brought out its first turbocharged engine and set to work developing a more powerful version of its opposed piston engine—the P type. In addition, it started aggressively marketing the new engine and began selling them straight off the drawing board which was not normal in a traditonally highly conservative industry.

This bought Doxford time and with a more commercial approach to licensing agreements it started ploughing money back into research. However, the group then began developing an even bigger opposed piston engine—the J type—and in many engineers' minds this was its biggest mistake.

Mr. Atkinson left in November 1960 (because of the board's decision to go for larger "J" type engines), and was followed by a succession of chief executives, none of whom stayed for long. In May 1961 Doxford merged with the neighbouring Sunderland Shipbuilding and the hope was that this would lead to economies of scale and increase the size of the in-house market for Doxford engines.

This proved to be a temporary palliative only, and it was soon impossible to disguise the fact that Doxford had made a fundamental design blunder at the start of the 1960s in pinning its faith solely to the opposed piston engine.

The market for these engines was not there in any real quantity. Technically superb, commercially they were a failure.

Because of their sheer size, Doxford's traditional engines were not suitable for many of the newer ships coming off the world's slipways — such as ferries. The Seahorse was designed to remedy this deficiency but in addition it was also aimed at the rapidly growing market for land power generation which should have helped cushion Doxford from the traditional cyclical patterns of shipbuilding.

Once again, however, Doxford missed the market. The project fell badly behind schedule and this was exacerbated by its parent's financial problems. In 1972 Court Line took over the ailing Doxford and Sunderland Shipbuilders and for a few heady months it seemed as if Doxford might get a new lease of life.

However, Court Line itself soon ran into financial problems. In June 1974 further investment on the Seahorse project was halfed and Court Line siphoned off £4m from Doxford—mainly instalments on a large Argentinian engine order. Doxford's technical programme was left in

The technical programme was left in a shambles . . .

a shambles and the company had nothing left for new investment.

Shortly afterwards Doxford was taken into Government ownership, and fresh management was brought in. Some of the ideas from the Seahorse project (only one engine was ever built) wer incorporated into a new range of Doxford engines known as the 58JS. This has had some success in the field of small containerships and is considered by many as the best of its type in the market.

However, as the failure of Doxford's hectic marketing programme over the last year has demonstrated, the market for this type of engine is limited. If British Shipbuilders wants to compete with Sulzer and the other leaders it must be prepared to spend very substantial amounts on engine development —money it just has not got and in the present climate is unlikely to get.

Letters to the Editor

Interest rates

From Mr. D. J. Roaf.

Sir,—Mr. Darling (April 22) claims that my letter of April 18 disputes his statement that higher interst rates hold back house-prices. I do not dispute this—I only claim that despite this holding back of house-prices, higher interest rates increase the burden on first-time buyers.

Nationwide Building Society statistics show that typical after-tax repayments for these buyers have risen from 16 per cent of income in the fourth quarter of 1977 (mortgage rate 9.5 per cent) to 23.5 per cent in the fourth quarter of 1979 (mortgage rate 15 per cent). Moreover the proportion of house-price advanced fell from 82.1 per cent to 74.4 per cent. A clear extra burden on the first-time poorer buyer.

Mr. Darling also suggests that index-linked mortgages would stretch buyers' purchasing power beyond any reasonable limit, because a £10,000 mortgage would increase to £164,000 after 20 years inflation at 15 per cent. But that borrower's income of, say, £5,000 per annum would similarly increase to about £82,000. Repaying a traditional mortgage is a great burden initially, but inflation reduces the real burden rapidly (at 15 per cent inflation by one half every five years). Index-linking would make the real burden of repayment constant—less than the initial burden of a traditional mortgage, but more than the final burden of a traditional mortgage.

The Liberal Party supports index-linked mortgages because they would remove the distortions of inflation from house-purchase.

D. J. Roaf,
Exeter College,
Oxford.

Deflationary environment

From Mr. P. Heath-Saunders

Sir,—Mr. Roaf (April 17) is making an assumption that one can expect inflation to increase geometrically over the years ahead. It is the common failure of most forecasters to assume that trends will persist in straight line projections.

There is a considerable body of informed opinion that takes the view that we are already in a deflationary environment and a number of us who believe that in the mid-1980s there will be a world-wide slump of even greater proportions than that of the 1930s. Interest rates will come down as they did in the 1930s and it is a sign that interest rates are, or soon will be, at their peak when one has gimmicks such as index-linking preached by so many peoples for so long.

P. H. Heath-Saunders.
22, Princes Road,
Weybridge, Surrey.

Conveyancing monopoly

From Mr. G. Harris

Sir,—In his article on conveyancing (April 21), Justinian presents the case for preserving, and possibly strengthening, the solicitors' monopoly of the business, arguing that only solicitors, with their "professional standards and practices," can offer the unwary public proper safeguards in the sale and purchase of property. He then goes on to illustrate the pitafalls into which an unqualified conveyancer could fall with a case handled in the Court of Appeal in which a trained and qualified solicitor falls into such a pitfall. Quod erat demonstrandum?

Having successfully conveyed my own property, although not legally qualified, on three occasions in the last ten year, I would suggest that the benefits to society arising from the solicitors' monopoly of conveyancing are substantially outweigher by the costs. In our increasingly mobile, property-owning society, it is a great pity that the Royal Commission on Legal Services felt unable to reach a broader, more fundamental conclusion than recommending that the status quo be maintained.

G. A. Harris.
The Smithy, Shay Lane,
Walton, Wakefield.

Preserved theatres

From Mr. I. Ferguson

Sir,—The announcement that the Arts Ministry granted the Theatres Trust £115,000 must surely be a step in the right direction. It is to be hoped that the Trust encourages the proper use of these preserved theatres and it is sugegsted that the opportunity be taken to find one that would be suitable for use by the still increasing demand for dance and ballet. One could suggest the Lyceum, currently owned by Greater London Council and nearly demolished by that body.

A small donation from the Theatres Trust and a public subscription could provide a very wirthwhile building to house the overflow performance of the Royal Ballet as well as help provide a more permanent theatre for London Festival Ballet. With suitable premises available, London may be more attractive to larger international ballet companies who are comparatively rare visitors.

Ian Ferguson.
4, Burns Court,
Marine Parade,
Dawlish, Devon.

Local authority manning

From Mr. P. Bolton.

Sir,—Mr. Geoffrey Drain (April 23) fails to distinguish between the kind of public expenditure which is useful to economic growth and that which is not. Capital expenditure on roads, public transport and so on which will directly help industrial growth and provide employment is badly needed. London's wholly inadequate road system is one example of an area where investment on a massive scale is called for. Huge salary bills to pay for an ever increasing number of public employees which must be met out of rates and taxes have the reverse effect.

The five years which I spent working for a local authority left me in no doubt that, generally speaking, local government officers are paid too much for what they do and that there are about twice as many of them as there should be.

The way ahead is clear: local government must change from a labour-intensive service keeping in employment armies of social workers, bureaucrats, playgroup organisers and providers of other services of doubtful value into a capital-intensive service which can make a contribution to the national economy rather than being a drain upon it.

Peter Bolton
59 Fordwych Road, NW2

Freight off the rails

From Sir James Farquharson

Sir,—Mr. Halter (April 16) may be correct in stating that BR has been able to maintain the volume of its passenger business by adaptation to changing circumstances. While recent complaints about poor punctuality may be justified the strategy, of well marketed faster services and flexible charging, has given reasonably good results.

On the freight side the situation is very different. In billions of ton-miles the freight carried by BR has declined steadily from 16.1 in 1964 to 12.4 in 1978. While coal and steel, the traditional traffic carried by rail, have declined too little attention has been paid to capturing the medium and long distance flows of new traffic. All other systems in Europe have, since the war, been increasing their freight traffic, some by spectacular amounts; only in the UK has the volume fallen. BR management should now be giving urgent attention to freight and ensure that it has an adequate fleet of well-maintained locomotives and general user wagons to give an effective service.

It is not enough to rely on the private wagons of large organisations with regular traffic flows. Attention must be given to the needs of small and medium businesses whose demands are, in aggregate, more likely to increase. There is little prospect of improving productivity with falling traffic: wonders could be achieved with rising volumes.

(Sir) James Farguharson.
Kinclune,
Kirriemuir,
Angus.

Open book policies

From the Director-General British Institute of Management.

Sir,—The report (April 21) concerning the new initiative to be taken by the CBI and the Indstrial Society regarding the encouragement of "open-book" policies by companies reflects a matter of long-standing concern to BIM.

This new attempt to persuade companies to provide employees with "honest, open and regular" details of their financial affairs certainly has the full support of this Institute.

In this connection it is perhaps worth recalling that Mr. Leslite Tolley, chairman of BIM, has stressed the need for open-style management backed by appropriate employee information policies and programmes. In a speech last week evening Mr. Tolley said, "The attack on world markets by British industry must be a combined operation. Management for its part must engage whole-heartelly in open-style communication and consultation with everyone in its charge—explaining and discussing policies, plans and problems so as to create a fully informed and well-motivated employee force. Trades unions like management must change their attitudes so that they can help meet realistic wealth-creating targets of ultimate benefit to their own members."

We wish thet new initiative every success and will be working towards similar ends.

Roy Close.
British Institute of Management,
Management House,
Parker Street, W.C.2.

Accountability and disclosure

From Mr. J. Hall

Sir,—If, as Mr. R. A. Rudd suggests (April 21) the pension fund industry should be made more accountable to its beneficiaries, and "there can be no accountability without disclosure," surely the simplest method of achieving the aim of disclosure is to require publication of a report by trustees to beneficiaries along the lines of directors' reports to shareholders?

Surely, too, the necessary and sufficient condition of disclosure is achieved by legally requiring publication of an annual advertisement in a national newspaper, constructed to provide enough information about the year's activities to allow commentators, beneficiaries, fund managers, and anybody else, to assess the fund's performance.

I believe that such an advertisement could, by itself, provide all the information necessary to constitute disclosure, without an infrastructure of supervisory bodies, AGM's, report and accounts documents, etc.

J. M. B. Hall,
Charles Barker City,
30, Farringdon Street, EC4.

Investing in equities

From Mr. R. Heseltine

Sir,—If the Chancellor expects demerging to release entrepreneurial energies he really will have to take some steps to facilitate fresh equity investment by individuals.

Currently a manager on a marginal tax rate of 45 per cent who borrows £25,000 at 2½ per cent over base rate to invest in the tools of his trade, in the form of a quoted company, requires a gross dividend yield of 35.4 per cent to cover his annual interest charges on an after tax basis. Alternatively on a non-dividend paying share he would need a capital gain of no less than 27.9 per cent per annum to cover his interest expenses after 30 per cent gains tax.

In contrast the same manager can borrow £25,000 for a house and at today's bargain 15 per cent mortgage rate his house has to appreciate a mere 8.2 per cent in a year in order to break even and that is leaving out of the calculations the many non-taxable benefits of owner occupation!

It is surely no coincidence then that the housing market is in infinitely better shape than the equity market and it should also surprise no one if the modern manager heads for his garden and maybe a spot of DIY a little before five o'clock.

R. M. H. Heseltine
29 Gibson Square, N1

Economic Diary

TODAY—Mr. Patrick Jenkin, Secretary for Social Services, addresses Rotary International Conference, Blackpool. Prince Charles is guest speaker at Guild of British Newspaper Editors dinner, Cambridge.

TOMORROW—Two-day European Council summit meeting opens, Luxembourg.

MONDAY—House of Commons begins two-day debate on Defence White Paper. EEC Environment Ministers meet, Luxembourg. Retail sales (March provisional). Banking Insurance and Finance Union annual conference, Leas Cliff Hotel, Folkestone. Extra-ordinary session of full membership of General Agreement on Tariffs and Trade (GATT), Geneva. Two-day Financial Times conference on World Pulp and Paper opens, Helsinki. Stock Exchange reduction in charges for dealing in traded options comes into effect.

TUESDAY—Building pay talks resume. National Coal Board statement on annual review of Yorkshire coalfield. Trades Union Congress "Bread and Roses" rally in defence of arts and education, Theatre Royal, London. Queen and Duke of Edinburgh begin State Visit to Switzerland.

WEDNESDAY—House of Commons debates remaining stages of Employment Bill. Confederation of British Industry industrial trends survey (April). Duke of Kent is guest of honour at Institute of Export annual luncheon, Portman Hotel, London. Mr. John Moore, Parliamentary Under Secretary of State for Energy, speaks at Institute of Electrical Engineers dinner, London. Advertising Association conference opens, Brighton.

THURSDAY—Post Office statement on major improvement for telephone service. Building Society house prices and mortgage statistics (first quarter). Consumers' expenditure (first quarter and first preliminary estimate) Energy Trends publication. Department of Employment Gazette will include stoppages of work due to industrial disputes (March; overtime and short-time working in manufacturing industries (February); employment in the production industries (February); and unemployment and unfilled vacancies (March—final).

FRIDAY—UK official reserves (April). Capital issues and redemptions (April). Car and commercial vehicle production (March—final). Mrs. Margaret Thatcher presents Winston Churchill Memorial Trust medallions, Kensington Town Hall, London. Mr. Roy Jenkins, President of the European Commission, in talks with Premier Indira Gandhi, New Delhi, India. Meeting of Wales TUC, Arcadia Theatre, Llandudno. Zimbabwe International Trade Fair opens, Bulawayo. Mr. David Howell, Secretary of State for Energy, opens Combined Heat and Power Scheme, Hereford.

Operating costs restrain Kwik Save at midyear

REFLECTING increased gross rentals from concessionaires of £1.32m against £1.02m, trading profits of Kwik Save Discount Group rose marginally from £5.16m to £5.19m in the six months to March 1, 1980.

However, an exceptional profit this time of £0.85m—from the sale of the Swindon warehouse—and higher interest receivable of £108,000 (£73,000) left the pre-tax surplus at £6.15m compared with £5.23m.

The interim dividend is increase dby 0.2p to 1.3p—last year a total of 3.3p was paid from profits of £12.19m.

Sales in the first half rose by 26 per cent to £157.43m, but the directors say operating costs rose faster than price inflation, also there was an excess of distribution capacity following the opening of the Newport warehouse in September. This has now been reduced by the conversion of the former Cee-n-Cee depot at Winsford to a bulk storage depot.

After six months' tax of £3.01m (£2.72m), earnings per 10p share are shown as 4.71p (3.78p).

By the end of the first half, the group had opened a further 16 stores and closed four. At the year end the directors anticipate a total of around 250 stores will be operating.

See Lex

EMI loss: profits forecast

EMI, the music to medical electronics group now absorbed by Thorn Electrical, incurred losses of £7.63m at the attributable level in the six months to December, compared with profits of £8.19m for the comparable period of 1978.

The figures, which cover the period just prior to the merger with Thorn, reveal all too well the crisis in the medical electronics business, the continuing international problems of the record industry and the cost of the 11-week strike at Thames TV.

Sales were only slightly down at £428.74m (£445.76m) but instead of £18.1m of pre-tax profits there were losses of £2.84m. With foreign losses unallowable for tax relief, the tax bill stood at £4.3m compared with £9.65m.

Thorn, however, is still standing by its forecast at the time of the takeover in January that EMI will make a small contribution to group profits in the December to March period in which EMI will be consolidated in Thorn EMI's figures.

Trading apparently improved in December and has held up since.

The acute problem is on the medical electronics side. Yesterday's official statement from the company said that accounts for this division had been prepared "on a going concern basis." Losses from medical electronics during the period were between £7m and £10m and a spokesman for the company confirmed that "remedial action is now very close."

See Lex

Hestair makes strong recovery to finish with £0.49m profit

A STRONG RECOVERY in the second half helped Hestair, the industrial concern, to pre-tax profits of £493,000 in the year to January 31, 1980, compared with losses of £341,000 previously.

A final dividend of 1p net is proposed, following the passing of the interim—last year's total was 3.5p.

Midterm taxable profits amounted to £55,000 (£423,000).

Mr. David Hargreaves, chairman, now says the vehicle division returned to profits in the last quarter and finished with substantial order books. SOS Bureau produced record profits but Farm Equipment operated at a loss and the weakness in the toy market led to lower profits in the consumer products division.

Tax took £73,000 (£282,000), giving earnings per 25p share of 2.3p, against losses of 3.7p. There were extraordinary debits of £630,000 (£1.36m) arising from the closure of the Leeds vehicle factory, reorganisation in the farm equipment division, and final costs for the move and closure of Hestair Toys' London operations.

Group turnover was lower at £55.86m, compared with £58.97m.

There was a £3.3m cash inflow during the year, against a £4.1m outflow. Borrowings were reduced by £3.2m and represented 46 per cent of shareholders' funds at the year-end.

● comment

After a 1p fall to par value, the market is still taking an understandably cautious view of Hestair's recovery potential. At the same time, the group is back in profit (albeit at a low level) and is paying a notional dividend. Vehicle manufacture turned round by some £900,000 at the trading level to £402,000 and better penetration of developed markets appears to be gradually making up for lost Middle East orders. SOS progressed well with a further £300,000 trading improvement to £1.72m and consumer products, struggling against the adverse tide in the toy trade, fell by a third to £510,00. The special vehicles order book has doubled in the last 12 months to £20m and toy retailers have recently started putting in higher orders. That leaves farm equipment. Losses were contained at about £220,000 but the market is still flat on its back and unlikely to pick up in the foreseeable future. Disposal proceeds here are expected to realise around £750,000 and exceed closure costs but longer term decisions may yet have to be made in a division which is tieing up £5.5m of unproductive gross assets. An interim dividend will probably be pai dthis year but a reputation which took six months to shatter, can only be restored by building another substantial track record.

Heavier loss for Paradise

Pre-tax losses of B. Paradise, manufacturer and distributor of clothing, deepened to £566,124 in the year to January 31, 1980, against £316,969 previously.

The figure was struck after a £165,000 exceptional stock write-down this time and interest of £210,679 (£174,998).

Loss per 10p share is given as 45.3p (22.1p). Turnover amounted to £3.14m (£2.99m).

The directors say the group suffered considerably during the year because of a surplus of manufacturing facilities and a severe squeeze on selling prices. Although the London factory was closed and the labour force in Malta reduced, substantial trading losses were incurred.

In view of these losses, further economies are being introduced involving a considerable reduction in overheads. Negotiations are in progress for the acquisition of a business which will enable further economies to be made, while expanding turnover into an allied trade.

The group is a subsidiary of R. and J. Pullman.

Hammerson Property

TAXABLE PROFITS of the Hammerson Property and Investment Trust rose from £6.16m to £7.63m in 1979 and earnings per 25p share are shown up from 11.56p to 16.75p.

As forecast, the dividend is lifted from 6.097p to 12p net and the directors are now proposing a one-for-one scrip issue. In November 1979 they anticipated that dividends for 1980 would amount to 18p, with 5p being paid as an interim.

Tax for the year takes £3.42m (£3.07m) and minorities, £1.48m (£1.21m). Extraordinary income of £2.72m (£2.3m) represents the realised profits on the sale of properties previously held for investment, and deferred inferest and other development outgoings of £2.9m (£2.47m) are written off.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Allebone & Sons	1	June 27	0.98	1	1.33
Clive Discount	Nil	—	3.3	2.12	5.33
R. H. Cole	2.52	July 7	2.29	4.65	4.14
Walter Duncan	12	—	12	12	12
Futura Holdings 2nd int.	1.54	May 19	1.4	2.59	2.45
Francis Inds.	3.0	July 4	2.51	4.75	3.76
H. Goldman	0.7	—	1.0	0.7	1.0
Grampian TV	1.47	June 21	1.09*	2.28*	1.63*
Hammerson	12	—	6.1	12	6.1
Hestair	1.0	July 1	1.14	1.0	3.5
Hoskins & Horton	5	July 1	8.7	8	10.39
Kwik Save int.	1.3	July 1	1.1	—	3.3
Liberty & Co.	2.6	June 2	2.46	3.4	3.22
RCF int.	Nil	—	0.88	—	2.72
Scot Ontario Inv.	2.15	July 7	1.65	3.15	2.4
Stylo Shoes	3.0	Oct. 1	1.92	3.0	1.92
Sunlight Service	1.4	June 14	0.94	1.9	1.35
Viking Resources Trust	1.58	June 30	1.32	2.9	1.32

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

British Assets

GROSS INCOME for the half year to March 31, 1980, of British Assets Trust increased sharply from £2.66m to £3.82m and pre-tax profits showed a rise of £1.01m to £2.94m.

The directors say net income for the full year should show a very satisfactory advance.

Net earnings per 25p share climbed from 1.12p to 1.86p in the period. The second interim dividend is 0.85p net and, including the special 0.3p already paid, the directors intend to recommend a total of 3.65p (3.1p).

Net asset value at the half yearr was lowe rat 91.1p (100.1p) after deducting prior charges at par.

Francis Inds. nears £2m

AN ADVANCE of £0.33m in the second six months lifted 1979 pre-tax profit at Francis Industries from £1.5m to a record £1.94m. At year end short term investments exceed bank borrowing by £244,000 compared with net borrowings of £837,000 at the previous balance date.

Sales were ahead to £32.8m (£27.75m) and profit was struck after interest costs up from £390,973 to £499,602.

iWth tax taking £395,212 (£190,301) stated earnings per 25p share emerged 1.05p higher at 17.24p. A net final dividend of 3p raises the total to 4.75p (3.76p).

There was a £94,907 extraordinary debit thi stime and attributable surplus emerged at £1.43m (£1.31m).

● comment

FI's pessimistic outlook at the time of the right's issue last October proved to be an over-reaction to events at the time. The effects of industrial unrest were not as severe as feared, and profits jumped by more than a quarter. The result is particularly pleasing given a substantial downturn at Sagar-Richards, the engineering subsidiary which would normally contribute about a fifth of group profits. This shortfall was more than made up elsewhere in the group where FI has picked up market share in both the automotive and packaging industries. Meanwhile the shares, up 5½p to 57½p, are still languishing in the aftermath of the cash call which, with the benefit of hindsight, would seem to have been mistimed. With liquidity much improved, and prospects good, the fully taxed p/e of 6.6 looks somewhat lowly. The yield is 12.5 per cent.

First Castle makes £0.4m cash call to cut gearing

LIVERPOOL-BASED piano and electronic services company First Castle Securities plans to raise £402,000 with a one-for-five rights isue at 27p. The money will be used to cut gearing from 66 per cent to 33 per cent.

Conor Finance Corporation will lose its majority holding in the company's ordinary shares. It has 50.39 per cent of current issued share capital, but provisionally indicates that a cash shortage prevents it taking up its rights.

The directors of First Castle say that, in the course of building profits from £72,000 to £351,000 over the last three years, borrowings have risen from £192,000 to £713,000. Turnover for 1979 was £2.25m, against £171,00 in 1977.

First Castle intends at least to maintain dividends on the increased capital. In the year to January 31, 1980, 1.327p net was paid. The issue calls for 1,569,931 new shares at a par value of 10p. It is underwritten by Moy Vandervell and Co.

Allebone

Increased interest of £467,000 against £309,000 meant that pre-tax profit of Allebone and Sons for the year to January 31, 1980, fell from £437,000 to £295,000.

At halfway a loss of £68,000 (£93,000 profit was reported and the interim dividend was passed. The director said profits would be earned for the full year and the amount of final dividend would be determined by their size. In the event the final is 1p net compared with a total of 1.33p last year. Earnings per 10p share were 3.73p (5.28p).

Branch closures and overhead reductions resulted in an extraordinary debit of £193,000. The directors say this reorganisation has put the company in a much stronger financial position.

They add that the men's footwear manufacturing division had a disappointing first quarter in the current year but sales of the retail division were in line with budget.

Grampian TV

IMPROVED SECOND-HALF profits at Grampian Television failed to offset the damage wrought on mid-term results by the independent television dispute. The pre-tax surplus fell from £405713 to £301,717 for the year to February 29, 1980. There was no Exchequer levy, against £70,215 last time.

Net total dividend is effectively raised from 1.63p to 2.28p, with a final of 1.47p. A total of not less than 1.63p had been forecast.

Turnover rose from £4.43m to £4.66m. Mr. Iain Tennant, chairman, says a revival was seen in advertising revenue in the final months of the year, but the figure was up only 4.8 per cent to £4.39m (£4.19m).

Gallaher

First-quarter 1980 taxable profits of Gallaher, a wholly-owned subsidiary of American Brands Inc., jumper by £13.2m to £28.7m. For the whole of last year, profits totalled £63.2m.

Although the results demonstrate a continuation of last year's progress, Mr. S. G. Cameron, chairman, warns that sales of tobacco products in the second quarter are bound to be lower.

Much of the increase in profits now reported came from the tobacco division which benefited from inflated demand inanticipation of duty increases. Domestic tobacco profits rose from £12.5m to £21.7m, and overseas, from £0.8m to £1.5m.

The engineering division, produced a surplus of £1.8m compared with £0.1m last time when the road haulage strike affected results. Group sales, excluding VAT, were £473.7m (£419.8m).

Stylo dives to £0.43m

Pre-tax profits of Stylo Shoes dived from £1.13m to £0.43m in the year to January 26, 1980, following sharply higher interim losses of £0.72m, against £0.25m.

However, the dividend is stepped up from 1.92p to 3p net. Earnings per 25p share are shown as 3.31p (9.08p).

Turnover improved from £25.61m to £28.76m.

ALFRED HERBERT

Alfred Herbert, the troubled engineering group supported by the National Enterprise Board, has passed the dividend due on April 30 on its 4⅖ per cent preference shares "in the light of present circumstances."

£4m loss at Clive Discount: no final

LOSSES OF £4.16m for the year to March 31, 1980, compared with profits of £1.42m previously, are reported by Clive Discount Holdings, and the final dividend is being ommitted.

The directors warned in February, when announcing payment of the half-yearly cumulative preference dividend, that this should not be taken as indicative of dividend policy on ordinary shares.

They added that the company's resources had been depleted by large trading losses during the year and that the rebuilding of these resources would be a primary concern when considering a final payment.

Conditions have improved in the current year to date and the company is trading profitably, the directors now report. The prospects for recovery are good.

The passing of the final dividend leaves the 2.12p interim as the year's total, compared with 5.3317p last time.

The loss was struck after providing for rebate, recovery of tax and transfer from (to) inner reserves. Balance brought forward totalled £2.84m (£2.26m), and £1.45m (nil) was transferred from general reserve.

See Lex

Liberty setback to £0.5m

As forewarned at the interim stage, when a decline from £633,000 to £204,000 was reported, pre-tax profits of Liberty and Co. for the year to January 31, 1980 were sharply down. The result turned in at £0.5m against £1.97m, resulting from lower sales volume and the director's policy of maximising liquidity.

A divisional breakdown of the year's profit shows, £000s omitted): UK retail £489 (£952); rest of EEC £35 loss (££ profit); U.S. retail £8 (£20) loss; converting and wholesaling £68 loss £739 (profit)ffi net rents from properties £119 (£199).

Earnings of this "close" company which deals in fabrics and carpets, fell from 17.06p to 0.1p per 25p share. The net final dividend is 2.6p for a 3.4p (3.22437p) total.

RCF falls—no interim

Amid deteriorating trading conditions taxable profit of RCF Holdings, hand tool maker and distributor, fell from £213,000 to £117,00 in the half year to January 31, 1980, and the company is passing an interim dividend.

Last time the net interim was 0.875p and a total of 2.7225p was paid from profits of £0.31m compared with a 1974-75 record of £0.91m.

Slack demand during the six months had created high levels of stock in distribution but these have been reduced and futher reduction is hoped for to enable the group to cut borrowings. Midterm interest costs were £267,000 (£174,000).

Manufacturing orders are below expectations, particularly from overseas. However, the contribution from the South African companies has been good and the distribution division produced better results in the second quarter.

Net profit was £44,000 (£97,000) after tax of £61,000 against £110,000.

Hoskins & Horton

A fall of nearly £440,000 in the second half left taxable profits of Hoskins and Horton well down for 1979 at £481,598, against £899,946, and the final dividend is being cut.

The pre-tax surplus was struck after a £120,000 provision for an associate's loss, but last time included a £210,297 exceptional surplus.

The final payment is being reduced from 8.69884p to 5p, giving a total of 8p (10.38784p). Earnings per 20p share are given as 14.9p (23.7p).

The directors of the building and hospital equipment group say the Horton companies have made a good start to the current year but they are uncertain whether past achievements can be matched. Hoskins' production was significantly reduced by the steel strike.

The tax charge for 1979 was sharply lower at £90,064 (£321,311). There was an extraordinary debit of £155,000 (£51,971) covering the share of possible future losses of an associate. The retained balance came through at £25,565 (£257,423).

Turnover rose from £9.5m to £10.33m.

BIDS AND DEALS

Yule takes a 29.5% stake in Revertex

BY ALAN FRIEDMAN

Yule Catto, the Far Eastern plantation and investment group, has purchased a 29.5 per cent stake in Revertex Chemicals for £1.7m. The transaction, which was accomplished by buying up 4.2m shares of Revertex at 40p each, was completed in less than an hour yesterday morning.

The stake is just under the 30 per cent level which would force the buyer under takeover regulations, to mount a full-scale bid for Revertex. The identity of Yule Catto was announced shortly after brokers Rowe and Pitman concluded the dealings.

A spokesman for Yule Catto said that "serious talks" with Revertex would start next week. He admitted that it was the £500,000 pre-tax profit decline and the passing of the final dividend announced by Revertex on Monday which spurred the rapid action.

Yule Catto and Revertex share a common interest in Malaysia. Yule Catto is a major rubber plantation operator there while Revertex processes rubber into latex. It purchases much of its rubber from Yule Catto.

Revertex shares closed 6p higher at 35p yesterday.

See Page 6

ASSOCIATED DAIRIES

Mr. Harold Plotnek, a director of Associated Dairies has sold 1m shares in the company at 179½p. This sale, which realised some £1.8m, leaves his holding 1.19m shares, equal to 0.66 per cent of Asda's capital.

Another director, Mr. Eric Bousfield disposed of 40,000 shares at 182p leaving his holding 211,593 shares (0.118 per cent).

At Samuel Properties Mr. Robert Waley-Cohen, a director, has reduced his beneficial interest following the sale by his wife of 1.1m shares at 118p, realising £1.3m.

HAWLEY LEISURE

Electra Investment Trust and Electra Fund Managers, subsidiary of Globe Investment Trust, have acquired an interest in a further 184,757 ordinary shares of Hawley Leisure. Electra's interest is now 10.3 per cent.

KITCHEN QUEEN SELLING STORES

Kitchen Queen, the kitchen furniture and carpet retailing group which recently ran into unexpected losses, is pursuing a rationalisation programme which will involve the sale of the stores acquired last year with the purchase of Knill Mill.

The group, headed by Mr. Len Morris following the departure of founder Mr. Neville Johnson in January, announced yesterday that discussions with a number of interested parties have already taken place.

ALLIED TEXTILES/ BRITISH MOHAIR

The question of Allied Textile's merger interest in British Mohair Spinners was revived at the latter's annual meeting in Bradford.

Although the British Mohair board has turned down Allied's approach, Mr. Thomas Hibbert, who retires as Mohair's chairman today, said he thought the matter ought to be pursued.

Initially, he told the meeting in response to a shareholder's inquiry, the Allied approach last November was felt by the board not to be fully in the company's interests.

Allied has since taken a near 6 per cent stake in British Mohair. Mr. Hibbert said yesterday: "My opinion is that it is our duty as directors to consider whether their proposal that there should be talks is in the interests of shareholders and the company."

But his successor as chairman, Mr. Alan Clough, said there was no arrangement to take the matter any further at the moment.

British Mohair's profits fell sharply last year from £2.8m to £1.5m.

Philp close to success with Hoffnung offer

Burns Philp's 88p per share offer for S. Hoffnung is close to success. At 1.00 pm yesterday acceptances had been received from holders of 34.4 per cent of Hoffnun's equity, which together with recent purchases, represents 46 per cent of the ordinary capital. Hoare, Govett, the broking firm acting for the bidder, is believed to have been in market for further shares yesterday afternoon but Burns Philp was unable to declare overall control.

Most of the funds in the M and G Unit Trust Group, which owned 11.25 per cent in aggregate, accepted the £17.5m offer on Thursday. The final date for acceptance is next Tuesday.

The bidder also controls 48.6 per cent of Hoffnung's 12 per cent convertible unsecured loan stock 1985-90 after further purchases yesterday.

RYLAND/DYSON

Ryland Vehicle's offer for R. A. Dyson has been accepted in respect of 339,712 "A" ordinary and 255,800 "B" ordinary shares.

CAPITAL & COUNTIES

Capital and Counties Property Company has agreed to purchase the headlease of Kirkgate Way, Wakefield from Peachey Properyt Corporation for £1.35m.

HOLT LLOYD

Holt Lloyd has agreed to acquire the assets relating to the natural and synthetic chamois leathers and automotive sponges manufactured and marketed by Meyer and Myer from the receiver of Coopers and Lybrand.

WEEKS SELL HULL PREMISES

Week s Associates, acting on behalf of Weeks Trailers, a wholy owned subsidiary, has sold the Harpings Road leasehold premises in Hull for £244,000.

This completes the sale of surplus industrial properties for a total of £584,000 which will substantially reduce group borrowings.

HABIT PRECISION PULLS OUT OF J. GREEN PURCHASE

Habit Precision Engineering, which recently reported a setback in profits from £171,000 to £2,000 for 1978/79, is not going ahead with the proposed acquisition of James G. Green and Sons (Greenford).

The directors said last month that the proposed purchase of Green together with that of Technidraft would widen the group's scope of activities and accelerate the return to profitability.

A circular has been sent to holders giving the details of the Technidraft acquisition and explaining that the negotiations for the Green purchase were not successfully/finalised.

Habit proposes to acquire Technidraft—controlled by the Habit chairman—for 400,000 ordinary shares, equal to £60,000. An EGM has been called for May 12 to approve this purchase and increase the Habit capital to £220,000 by the creation of 4m new shares.

Results due next week

Wednesday's figures from BAT Industries bring it into line with its new year end, and analysts are expecting £435m to £440m for the 12 months to December. BATs disappointed with the figures to September, when adverse currency rates, particularly on Brazilian earnings, held the group to £428m. A special interim dividend of 5p will be paid out of profits for the final three months, bringing the 15-month total up to 22.34p. For the current year, currency rates may again prove the prevailing factor in profits performance. Analysts are pencilling in around £470m.

Tarmac should produce a seasonable increase on Tuesday when it reveals preliminary figures. Outside forecasts indicate a rise of £32m or £33m pre-tax against last year's £26.47m. The growth should have come mostly from the housing business where margins could have improved on the back of price increases. Quarry products should be up significantly, also because of better prices. The earnings per share (on a stated tax charge) may be near 30p against 26.4p and the total net dividend could rise by 20 per cent or more from 10.9p to more than 13p.

Investors may be less interested in Foseco Minsep's 1979 preliminary results due Monday than in what the company reveals about the impact of the national steel strike in the first quarter of this year. And it may well have been very heavy. As for 1979, pre-tax profit estimates range from £18m to £19m, with earnings per share around 19p or 20p. The strength of sterling and high interest rates will have cut into earnings from export markets on which the company relies for 75 per cent of its expected to be raised about 20 business. The final dividend is

Simon Engineering, whose preliminary 1979 results will be published Monday is notan engineering company like many others. For one thing, its profits probably increased last year, perhaps to £17m or £18m. For another, it may show as much as £30m in the bank attracting very high rates of interest. The contracting division is believed to have done well and the chemical merchanting and storage businesses should have made good contributions. The company has already signalled a 25 per cent increase in the dividend.

Next week's batch of companies will also include Nurdin and Ueacock on Monday, Bunzl Pulp and Paper on Tuesday and Telephone Rentals on Wednesday, all reporting year-end figures.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Allied Plant Group	MMonday	0.4	0.45	0.7
Alpine Holdings	Tuesday	1.34	1.42375	2.275
Ayreshire Metal Products	Wednesday	1.7445a	3.2885	2.0
B.A.T. Industries	Wednesday	9.4	5.12	22.34
Boot (Henry) and Sons	Thursday	2.5	—	3.0
Brooke Street Bureau of Mayfair	Monday	0.87333	2.22265	1.135
Bunzl Pulp and Paper	Tuesday	3.191b	2.285	3.83
Davies and Newman Holdings	Thursday	2.71853	5.43712	3.08
Energy Services and Electronics	Monday	0.2	0.3	0.25
English National Investment	Tuesday	0.89	1.13	1.01
Estates and General Investments	Monday	0.5	0.7	0.55
Foseco Minsep	Monday	2.11	3.0	2.7843c
Gerrard and National Discount	Wednesday	4.0632n	5.124	5.0
Gordon (Luis) Group	Tuesday	—	1.0	—
Guadrian Investment Trust (The)	Thursday	0.9	2.25	1.6†
Harrison (T. C.)	Wednesday	0.7588d	1.6895	0.92
Henderson (P. C.) Group	Wednesday	1.7	3.116	2.25
Highcroft Investment Trust	Thursday	0.9e	1.1	1.0
Jessel, Toynbee	Wednesday	0.875	2.77425	1.75
Laird Group	Saturday	1.32727	1.38364	1.7
Martin Black	Thursday	1.0	1.0	—
Mowlem (John)	Thursday	1.65	5.6083	1.75
Nathan (B. and I.)	Monday	1.1	2.53	1.4
Newarthil	Thursday	—	5.324	—
Nurdin and Peacock	Monday	0.885951	1.1879	1.5
Petrocon Group	Tuesday	1.1514	3.3601	1.1514
Roberts Adlard	Tuesday	1.7863g	3.073	2.0
Save & Prosper Linked Invest. Trust	Thursday	6.54	5.94‡	8.56
Shiloh Spinners	Thursday	0.75	1.0769	0.75
Simon Engineering	Monday	3.0787h	6.0652	4.0
Smith St. Aubyn (Holdings)	Tuesday	2.5	3.046	3.5
Stanley (A. G.) Holdings	Wednesday	0.67787j	0.95687	1.0
Tarmac	Tuesday	4.08k	6.961	5.0
Telephone Rentals	Wednesday	1.78015m	4.80178	1.8
Turriff Corporation	Wednesday	—	2.9085	—
Walker (J. O.)	Thursday	1.005	2.908	3.0
Waverley Cameron	Monday	—	11.0	—
Whatman Reeve Angel	Wednesday	1.359	0.907	1.6
Yorklyde	Monday	—	—	1.5
INTERIM DIVIDENDS				
M and G Group (Holdings)	Friday	2.0	—	
Pochins	Tuesday	0.875	8.125	
United Wire Group	Thursday	2.2	3.55	
Wemyss Investment (The)	Thursday	5.0	10.0	
Westward Television	Friday	0.65	1.35	
INTERIM FIGURES				
Ace Belmont International	Wednesday			
Lockwoods Foods	Friday			

* Dividends are shown net pence per share and adjusted for any intervening scrip issue. † Includes non-recurring dividend of 0.7p. ‡ Second interim. ¶ Total of First and Second interims. ‖ Total of First, Second and Third interims and also includes a special interim of 5.0p. The following are compensating dividends included to allow for the change in the tax rate. a 0.033. b 0.029. c 0.1343. d 0.0416 e 0.029. f 0.01595. g 0.0413. h 0.0767. j 0.0336. k 0.094 m 0.06515. n 0.0632.

RESULTS AND ACCOUNTS IN BRIEF

EXECUTEX CLOTHES—1979 pre-tax profit £255,609 (£202,173). Turnover £1.68m (£1.21m). Tax £68,831 (£8,835). Earnings per 20p share 9.06p (9.37p). Final dividend 1.188p net making 1.856p (1.613p total). Directors say current year will show favourable increase.

BREMNER AND CO. (general warehousemen)—Final dividend for year to January 31, 1980 3.15p net making 4.3p (4.2p). Pre-tax profit £568,202 (£553,992). Tax £289,202 (£287,964). Earnings per 25p share 5.05434 (4.81934).

WALTER DUNCAN AND GOODRICKE (invested holding company)—1979 pre-tax profit £532,093 (£753,768). Extraordinary items nil (£649,343). Attributable profit £347,892 (£1,285,691). Comps restated. Dividend 12p net (same).

SAFEGUARD INDUSTRIAL INVESTMENTS—Net interim dividend 1.8p (1.6p) for half year to March 31, 1980. Last year's total 4.7p. Pre-tax revenue £454,523 (£355,086). Directors do not expect second half to show an improvement over last year's £420,334.

MODERN ENGINEERS OF BRISTOL (HOLDINGS)—Pre-tax profits for 1979, £358,375 (£342,951) from turnover of £8.76m (£8.51m). Tax £117,559 (£183,302), stated earnings per share 8.03p (5.32p). Final 2p making 3p (2.51p adjusted).

JONES GROUP—Turnover 1979, £20,239,000 (£14,229,000). Pre-tax profit £1,440,000 (£1,108,000). Tax credit £73,000 (charge £126,000). Deduct minorities £47,000 (£70,000). Dividends absorb £423,000 (£389,000). Retained £1,043,000 (£523,000). Earnings per share 14.87p (9.14p).

VIKING RESOURCES TRUST—Income for year to March 31, 1980 £773,800 (£550,914). Pre-tax profit £463,232 (£283,617) after interest and expenses £310,568 (£267,237). Tax £138,440 (£100,165). EPS 3.24p (1.83p). Final 1.58p making 2.90p (1.32p). Proposed scrip issue of one for one.

GEORGE INGHAM AND CO. (HOLDINGS) (worsted spinner)—Turnover for 1979 £2.28m (£1.5m). Profit £18,759 (£8,498 loss) after temporary employment subsidy £6,920 (£35,310) but before tax £1,823 (£2,190). Dividend 0.25p (same). Earnings per 10p share 0.85p (0.53p losses) on net basis, or 0.94p (0.42p losses) on nil distribution basis. Group fixed assets £454,189 (£505,904). Net current assets £289,454 (£224,485). Chairman says certain reorganisation cost incurred during late 1979 and early 1980 but expects new plant to be fully operational this month. Meeting, Halifax, May 13, noon.

J. HEWITT AND SON (FENTON) (manufacturer of industrial and domestic refractories)—Results for 1979 reported March 22. Historic taxable profit of £386,560 (£311,098) reduced to £214,000 (£212,000) on CCA basis. Group fixed assets £1.65m (£1.37m). Current assets £1.27m (£1.05m). Current liabilities £817,894 (£577,809), including short-term borrowings £113,692 (nil). Chairman says overall position is satisfactory at present and hopes progress will continue in 1980. Meeting, Fenton, Stoke-on-Trent, May 14 at noon.

TI RALEIGH INDUSTRIES (wholly owned subsidiary of Tube Investments)—Results for 1979: External sales £125.21m (£139.89m): Loss before loan interest payable £4.99m (profit £9.39m); loan interest £1.21m (£986,000); loss before tax and extraordinary items £6.2m (profit £8.4m); deficit for year £2.17m (earnings £7.47m); extraordinary items deficit £401,000 (profit £90,000); loss after extraordinary items £2.58m (profit £7.56m). Deficit per share 38p (earnings 130.5p). Current assets £85.58m (£68.77m). Increase in working capital £167,000 (decrease £9.44m). Directors state 1980 should see a return to modest profitability. CCA loss £9.29m (£3.9m profit). Meeting, Nottingham, May 9, 12.45 pm.

KUNICK HOLDINGS (fashionwear and commission agent) — For half year ended November 30, 1979, turnover £826,933 (£962,498). Rental income £19,233 (£7,893). Interest charges £33,560 (£10,413), pre-acquisition profit nil (£16,429), pre-tax profit £42,755 (£44,352). Insurance claim for damage to stock by fire has been settled, and claim for consequential loss will be negotiated. Interim dividend 0.265p (0.221)p).

SPENCER GEARS (HOLDINGS)—Turnover for half year ended December 31, 1979, £2.99m (£2.06m). Pre-tax profit £181,000 (£123,000) after interest £99,000 (£30,000). Earnings per 5p share 1.98p (1.17p). Interim dividend 0.35p (0.25p) net—final for 1978-79 0.65p from profits of £450,363. Directors confident that first-half progress will continue in second six months. No tax (£16,000). There was a £45,029 tax credit due to deferred release. Unlikely to be any corporation charge for full year.

G AND G KYNOCH (woollen cloth manufacturer)—Turnover for half year to February 29, 1980, £879,000 (£764,000). Loss £21,775 (£31,459) after interest £9,338 (£4,879) but before tax credit £13,000 (£17,500). Directors say current order book better than at same time in recent years and immediate prospects look encouraging. Board will wait for full year results before considering payment of dividend. No payment was made last time.

MAXIM'S (restauranteur)—Results for 1979: Dividend 6p (5.5p). Turnover £2.32m (£2.3m); pre-tax profits £84,821 (£62,361): tax £43,057 (£33,807). Stated earnings per 25p share 22.7p (15.6p). Company proposes a two-for-one scrip issue.

CORAL INDEX: Close 425-430 (−3)

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

World-wide trading group Inchcape has made an agreed offer for Indian tea planters Assam Investments of 150p cash per share, valuing Assam at almost £7m. The offer has already gone unconditional as Inchcape, which held 38.72 per cent of Assam's equity prior to the offer, subsequently increased its stake to 54.59 per cent by market purchases.

Scottish investment holding group *Lamont Holdings* has launched a £2.6m offer for loss-making Belfast-based textile concern McCleery L'Amie. The terms, three Lamont for every four McCleery or a cash alternative of 18p per share, were immediately rejected by the Board of McCleery, although no reason has been given. Lamont has stated that if the offer is successful some rationalisation of McCleery's management and manufacturing activities will take place, although no undue redundancies are envisaged.

Glaxo's planned extension into Australian pharmaceuticals through the proposed acquisition of Adelaide-based F. H. Faulding has been blocked by the Foreign Investment Review Board because it was felt that such a takeover would not be in the interests of the Australian pharmaceutical industry and could harm job prospects in South Australia.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
	Prices in pence unless otherwise indicated.					
Assam Invs.	150*§	147	118	4.23	Inchcape	—
Barget	12*‡	18	11	8.56	Tinnox	—
Bishopsgate Prop.	5*§	4½	5††	0.36	Bkly. Hambro	—
Bowring (C. T.)	168§§	145	141	183.9	Marsh and McLennan	—
City & Intl. Tst.	147	143	126††	20.04	Guthrie	—
CompAir	104§§	102	95½	57.53	I. C. Glass	—
Cray Elect.	31*§	35	35††	0.93	Thrgmtn. Tst.	—
Doloi Tea	*270**	*275*	*215*	*0.29*	*Tategold*	—
Furness Withy	420*	410	332	112.5	C. Y. Tung	—
Gibbs (A.)	85*§	81	82	9.80	HK & Shanghai Bank	—
Hendersn.-Kenton	225§§	223	118	14.42	Harris Queensway	—
Hoffnung (S.)	88*	88	74½	15.51	Burns Philp	29/4
Lidstone	280*	340	290	0.51	Greewalk Nominees	—
Lond. & Prvncl. Poster	500*§	470	287††	9.12	Reed Intl.	—
Maple	30§§	31	27½	8.37	Waring & Gillow	—
McClry. L'Amie¶¶	20	17	11½	2.57	Lamont	—
Mrgn. Edwards¶¶	118½§§	120	123	4.11	Edwrds. (L C)	—
Nationwide Leisure	6*§	7½	9	0.66	Rantlodge	—
Norrington (H.)	21*	22½	16††	0.80	Burgess (F H)	—
Paradise (B.)	10*	15	24††	0.46	Pullmn. (R. J.)	—
Status Discount	56	50	69††	22.4	MFI	—
Turner (W. & E.)	87½*	82	48††	9.07	J. Hepworth	—
Viking Oil	300*✝	£11½	810	—	Deminex	—
Viking Oil	625*✝	£11½	910††	—	Sun Co.	—
Viking Oil	450*✝	£11½	£10	—	Hunt. Intl. Petroleum	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on 24/4/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ✝ Plus royalties.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Bailey (Ben)	Dec.	272	(165)	0.44	(0.33)
Dowding & Mills	Dec.	987	(1,037)	0.7	(0.59)
Hoover	Mar.§	1,770	(620)L	—	(—)
Long & Hambly	Feb.	203L	(280)	—	(0.13)
McKechnie Bros.	Jan.	8,241	(6,459)	2.0	(2.0)
M.Y. Dart	Dec.	755	(810)	1.0	(1.0)
Nth. Brit. Props.	Dec.	616	(491)	1.0	(1.0)
Rediffusion TV	Jan.	400	(3,110)	—	(0.88)
Simpson (S.)	Jan.	506	(922)	1.31	(1.31)
Wade Potteries	Jan.	470	(530)	0.5	(0.49)
Wilmot-Breeden	Sept.	1,030L†	(4,230)‡	—	(—)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † Nine months to September 1979. ‡ Previous 12 months. ¶ For 18 months to December 1979. ‖ For year ending June 30, 1978. The figures are those that were published in the last accounts of the former parent company Swan Hunter Group Ltd. § First quarter figures. L Loss.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Amalg. Metal	Dec.	8,240	(8,530)	36.1	(39.0)	14.0	(16.4)
Amalg. Power	Dec.	1,570	(6,780)	5.8	(38.4)	6.16	(5.9)
Anchor Chemical	Dec.	784	(422)	17.2	(9.0)	5.3	(4.6)
Blue Circle	Dec.	51,900	(50,600)	34.9	(35.2)	12.5	(10.43)
Bodycote Intl.	Dec.	2,140	(2,060)	21.0	(20.7)	4.0	(3.03)
B & Q Retail	Jan.	2,330	(960)	3.1	(4.4)	2.0	(—)
Brown Boveri	Dec.	5,790	(7,440)	6.6	(9.5)	2.2	(2.2)
BSG Intl.	Dec.	5,020	(8,350)	4.7	(9.0)	2.0	(2.38)
Callender (Geo.)	Dec.	928	(435)	6.2	(3.3)	1.65	(1.32)
Chesterfield Prop.	*Dec.*	*2,860*	*(2,228)*	*7.8*	*(5.8)*	*5.0*	*(4.0)*
Clarke (Clement)	Dec.	1,390	(1,252)	13.6	(10.5)	2.42	(1.81)
Copydex	Dec.	369	(432)	9.6	(7.9)	3.0	(2.46)
Corinthian Hldgs.	Dec.	659	(568)	9.0	(9.2)	1.5	(1.05)
Delta Metal	Dec.	30,430	(28,450)	12.9	(13.9)	6.0	(5.6)
Dunlop	Dec.	29,000	(46,000)	—	(9.1)	5.3	(5.3)
Elbar Industrial	Dec.	1,540	(2,200)	46.8	(64.3)	10.0	(10.0)
Electrical & Ind.	Dec.	1,920	(1,820)	16.8	(10.8)	3.75	(3.29)
Ellis & Goldstein	Jan.	1,660	(1,820)	4.7	(6.1)	2.3	(2.13)
Estate Duties	Mar.	2,980	(2,550)	2.5	(2.12)	2.3	(1.91)
Farnell Elec.	Jan.	5,120	(4,050)	18.6	(12.4)	4.0	(2.95)
Flight Refuelling	Dec.	2,450	(1,910)	17.5	(24.0)	3.1	(2.4)
Fogarty (E.)	Dec.	2,200	(2,710)	15.1	(20.9)	4.02	(1.99)
Gosforth Indl.	Dec.	1,569¶	(3,159)¶	4.6	(—)	4.0	(—)
Grattan Warehses.	*Jan.*	*4,450*	*(11,280)*	*14.6*	*(16.4)*	*6.29*	*(6.21)*
Haden Carrier	Dec.	3,780	(2,740)	26.9	(17.0)	10.0	(8.7)
Hay (Norman)	Dec.	491	(550)	6.7	(6.6)	3.35	(3.7)
Hill (Charles)	Dec.	185L	(740)L	—	(—)	—	(2.0)
J.B. Holdings	Dec.	1,726	(2,813)	7.5	(17.4)	3.0	(1.47)
Laing Props.	*Dec.*	*5,630*	*(5,050)*	*6.4*	*(3.9)*	*3.5*	*(3.0)*
Laporte Indls.	Dec.	16,874	(12,137)	17.2	(11.4)	8.75	(7.55)
Lawrence (Wltr.)	Dec.	2,220¶	(1,130)‡	18.5	(10.1)	10.5¶	(5.83)‖
Lilleshall	Dec.	404	(273)	15.5	(12.4)	3.5	(1.93)
Ldn. & European	Dec.	1,010	(910)	6.3	(5.1)	1.35	(1.1)
London United	*Dec.*	*3,304*	*(3,853)*	*20.4*	*(23.6)*	*9.0*	*(5.31)*
Maple	Feb.	1,401	(1,031)	4.0	(2.7)	1.5	(0.75)
MDW Holdings	*Dec.*	*1,260*	*(1,070)*	*19.6*	*(22.3)*	*3.75*	*(3.01)*
Menzies (John)	Feb.	6,660	(5,940)	45.2	(34.8)	6.0	(3.4)
Neill (James)	Dec.	1,950	(2,020)	7.5	(8.1)	5.84	(5.84)
North (M. F.)	*Dec.*	*647*	*(743)*	*2.1*	*(1.8)*	*0.8*	*(0.47)*
Office Electronic	Dec.	3,110	(2,270)	23.4	(17.5)	6.5	(4.6)
Oxley Printing	Dec.	674	(1,550)	7.0	(20.4)	3.1	(2.75)
Pearson (Lngmn.)	Dec.	25,669	(25,500)	36.4	(30.1)	8.36	(6.68)
Pearson (S.)	Dec.	53,728	(51,426)	38.7	(35.9)	10.0	(7.99)
Pentland Inds.	Dec.	1,030	(810)	7.5	(5.8)	1.27	(0.88)
Perry (Harold)	Dec.	4,930	(3,760)	37.0	(34.3)	7.0	(3.69)
Revertex Chems.	Dec.	2,060	(2,550)	3.5	(5.0)	1.17	(3.44)
Rush & Tomkins	Dec.	1,630	(1,170)	10.1	(9.2)	3.75	(3.23)
Sheffield Twist	Dec.	2,080	(2,360)	6.3	(4.1)	2.22	(2.0)
Silentnight Hldgs.	Feb.	3,970	(4,110)	17.6	(18.3)	2.03	(1.68)
Spear & Jackson	Dec.	1,970	(1,832)	24.9	(22.0)	9.38	(9.38)
Steel Brothers	Dec.	5,810	(6,470)	23.8	(28.5)	8.0	(7.15)
Sumner (Francis)	Dec.	359	(693)	1.9	(1.5)	0.65	(0.79)
Thomson T-Line	Dec.	272L	(148)L	—	(—)	3.5	(3.35)
Tootal	Jan.	14,640	(21,000)	5.2	(7.6)	3.14	(3.04)
Tozer Kemsley	Dec.	16,013	(7,632)	18.1	(11.9)	4.77	(3.49)
Travis & Arnold	Dec.	7,250	(4,690)	84.7	(56.5)	7.61	(4.26)
United Carriers	*Jan.*	*3,860*	*(2,850)*	*20.5*	*(16.2)*	*5.0*	*(2.93)*
Vickers	Dec.	7,290	(11,700)	9.9	(13.6)	9.81	(9.81)
Wadkin	Dec.	370	(2,050)	3.8	(34.5)	6.47	(6.47)
Websters	Dec.	705	(918)	7.0	(5.8)	2.1	(1.5)
Wight Holdings	Dec.	414	(583)	10.4	(16.0)	5.5	(5.5)
Wilson (Connolly)	Dec.	5,448	(3,529)	48.0	(33.6)	7.25	(3.13)

Scrip Issues

Estate Duties Investment Trust—One for ten.
Harold Perry—One for one.
Travis & Arnold—One for one.
Wilson Connolly—One for one.

Rights Issues

Cliffords Dairies—2,431,603 new "A" non-voting shares on the basis of one for every four ordinary or "A" ordinary held at 66p to raise approximately £1.53m.

Linfood Holdings—Rights issue on the basis of one for every four shares and one for every £6 of convertible unsecured loan stock 1988-90, at 118p per share to raise £11.5m.

North British Properties—£3,240,378 9½ per cent convertible unsecured loan stock 1996 to be offered on the basis of £1 nominal of the stock for every four ordinary held to raise £3.135m after expenses.

Unitech—Rights issue on the basis of one for ten at 180p per share to raise £3m.

† *Approximate figure before expenses.*

The Association of Investment Trust Companies

THE INVESTMENT TRUST TABLE

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

as at close of business on Monday 17th March 1980 — Geographical Spread at 29th February 1980

Total Assets less Current Liabilities (1) £ million	Company (2)	Share Price (3) pence	Yield (4) %	Net Asset Value (5) pence	UK (6) %	Nth. Amer. (7) %	Japan (8) %	Other (9) %	Total Return on N.A.V. over 5 years to 29.2.80 (10) base = 100
	VALUATION MONTHLY								
144	Alliance Trust	194	7.4	275	69	23	2	6	156
121	British Invest. Trust	135	6.6s	†	†	†	†	†	†
13	*Grange Trust*	*86*	*5.3*	*118*	*73*	*22*	*1*	*4*	*184*
71	Great Northern Invest. Trust	100	7.7s	143	80	9	1	10	188
76	Investors Capital Trust	77	4.7s	107	54	31	7	8	164
13	Jardine Japan Invest. Trust	89	1.9s	100	13	—	77	10	91
13	xSave & Prosper Linked Invest. Trust	53	—	153	100	—	—	—	229
133	*Scottish Invest. Trust*	94	*6.0*	*134*	□60	27	*3*	*10*	167
†	Scottish Northern Invest. Trust	80	5.3	†	†	†	†	†	†
112	Scottish United Investors	62	5.0	82	41	37	6	16	171
48	Second Alliance Trust	167	6.9	237	69	23	2	6	155
†	Shires Investment Co.	124	11.2	—	†	†	†	†	†
82	United States Debenture Corpn.	84	8.1s	116	72	28	—	—	†
	Baillie Gifford & Co.								
110	Scottish Mortgage & Trust	107	6.9	149	50	34	□5	11	161
59	Monks Invest. Trust	49	6.6	68	51	35	4	10	162
15	Winterbottom Trust	206	5.2	292	48	39	4	9	179
	Baring Bros & Co. Ltd.								
†	Outwich Invest. Trust	56	5.2	†	†	†	†	†	†
27	Tribune Invest. Trust	68	4.3s	99	47	21	4	28	160
	City Financial Administration Ltd.								
15	"Investing in Success" Equities	154	3.9s	218	37	32	18	23	182
	East of Scotland Invest. Managers								
46	Aberdeen Trust	93	6.8	138	82	17	—	1	178
	Edinburgh Fund Managers Ltd.								
62	American Trust	47	*5.7	64	□63	34	2	1	192
11	Crescent Japan Invest. Trust	130	2.7	158	—	—	100	—	124
14	General Scottish Trust	89	*8.0*	*124*	72	*19*	*5*	*4*	206
9	Wemyss Invest. Co.	291	7.4	399	77	13	—	10	169
	Electra Group Services								
†	Electra Invest. Trust	127	7.1s	†	†	†	†	†	†
†	Globe Invest. Trust	124	7.2s	†	†	†	†	†	†
39	Temple Bar Invest. Trust	*101*	*9.4s*	*131*	94	5	—	1	196
	F & C Group								
24	Alliance Invest. Co.	117	5.3s	155	65	14	8	13	195
24	Cardinal Invest. Trust	97	6.0s	139	64	13	2	21	197
6	F & C Eurotrust	50	3.5	56	22	1	—	77	101
186	Foreign & Colonial Invest. Trust	*84*	*5.0*	*120*	*60*	21	*8*	*11*	*176*
†	General Investors & Trustees	124	6.3s	†	†	†	†	†	†
	James Finlay Invest. Management Ltd.								
2	Provincial Cities Trust	29	8.9	36	94	—	—	6	†
	GT Management Ltd.								
21	Berry Trust	87	2.1	107	35	20	6	39	242
18	GT Japan Invest. Trust	160	5.4	165	31	4	45	20	187
8	Northern Securities Trust	132	4.3	202	48	12	9	31	202
	Gartmore Invest. Ltd.								
7	xAltifund Ltd.	190	—	297	93	3	4	—	235
25	*Anglo-Scottish Invest. Trust*	47	*6.4s*	68	68	23	—	9	169
26	English & Scottish Investors	86	*5.4	125	59	18	1	22	184
8	Group Investors	70	4.9	99	□58	27	2	13	246
5	London & Gartmore Invest. Trust	72	1.5	99	43	23	1	33	146
9	London & Lennox Invest. Trust	52	5.8	74	58	32	—	15	200
24	London & Lomond Invest. *Trust*	75	*6.5s*	*108*	75	*20*	—	5	201
12	London & Strathclyde Trust	51	5.4s	68	65	13	—	22	177
15	Meldrum Invest. Trust	55	6.5s	73	96	—	—	4	234
	Gartmore Invest. (Scotland) Ltd.								
75	Scottish National Trust	*147*	4.5s	209	63	22	2	13	178
19	Glasgow Stockholders Trust	105	4.7s	154	59	24	—	17	182
	John Govett & Co. Ltd.								
88	Border & Southern Stckhldrs. Trust	60	5.2s	85	64	20	8	8	180
13	General Stckhldrs. Invest. Trust	114	3.6s	171	52	33	5	10	186
65	Lake View Invest. Trust	93	4.8s	134	65	18	8	9	181
66	Stockholders Invest. Trust	94	4.6s	*137*	51	37	8	4	176
	Hambros Group								
†	Bishopsgate Trust	188	5.7s	†	†	†	†	†	†
†	City of Oxford Invest. Trust	80	7.8	†	†	†	†	†	†
†	*Hambros Invest. Trust*	108	5.8	†	†	†	†	†	†
6	xRosedimond Invest. Trust	92	—	180	99	—	—	1	249
	Henderson Administration Ltd.								
121	Witan Investment Co.	87	5.4	131	62	23	11	4	167
22	Electric & General Invest. Co.	77	3.8	113	64	25	5	6	153
6	Greenfriar Invest. Co.	92	3.1	136	55	18	9	18	186
7	Lowland Invest. Co.	58	8.9	79	92	1	—	7	227
	Philip Hill (Management) Ltd.								
11	General & Commercial Invest. Trust	145	8.4s	203	78	18	—	4	201
24	General Consolidated Invest. Trust	89	8.2s	122	80	17	—	3	209
127	Philip Hill Invest. Trust	*90*	7.7	*122*	*81*	*16*	—	*3*	206
6	Moorgate Invest. Co.	122	7.0	131	91	6	—	3	283
36	Nineteen Twenty-Eight Invest. Trust	66	7.8	91	72	24	1	3	170
	Industrial & Commercial Fin. Corpn.								
†	London Atlantic Invest. Trust	80	6.9	†	†	†	†	†	†
8	North British Canadian Invest. Co.	108	5.6	*120*	99	1	—	—	†
	Investment Trust Services Ltd.								
27	*Capital & National Trust*	120	*6.9	176	73	15	4	8	192
13	Claverhouse Invest. Trust	100	7.7s	131	99	1	—	—	259
13	Crossfriars Trust	*93*	7.4	*130*	*100*	—	—	—	264
†	Guardian Invest. Trust	77	5.8s	†	†	†	†	†	†
†	London & Holyrood Trust	110	6.6s	†	70	18	4	8	†
†	London & Montrose Invest. Trust	178	6.2	†	66	21	5	8	†
†	London & Provincial Trust	104	6.6s	†	66	22	4	8	†
106	Mercantile Invest. Trust	45	7.4s	63	62	26	3	□9	183
41	Sterling Trust	164	7.1s	240	75	19	3	3	174
28	Technology Invest. Trust	98	5.2s	141	68	27	3	2	172
74	United British Securities Trust	118	7.2	167	70	18	4	8	176
22	United States & General Trust	182	6.8s	272	73	19	5	3	182
	Ivory & Sime Ltd.								
64	Atlantic Assets Trust	164	0.8	211	□48	46	—	6	309
†	British Assets Trust	75	6.1s	†	†	†	†	†	†
87	Edinburgh American Assets Trust	57	1.8	71	32	57	2	9	196
†	Viking Resources Trust	178	1.1s	†	†	†	†	†	†
	Keyser Ullmann Ltd.								
11	xThrogmorton Secured Growth Trust	100	—	172	100	—	—	—	221
52	Throgmorton Trust	87	9.1	118	100	—	—	—	316
	Kleinwort Benson Ltd.								
28	British American & General Trust	40	7.6s	55	75	18	3	4	†
24	Brunner Invest. Trust	ac51	6.9	ac74	64	25	4	7	218
33	Charter Trust & Agency	56	7.3s	79	73	18	4	5	187
42	English & New York Trust	72	7.2s	103	70	23	2	5	†
5	Family Invest. Trust	116	6.9	122	97	—	—	3	†
3	Jos Holdings	50	8.1s	69	83	9	3	5	†
7	London Prudential Invest. Trust	84	7.2	113	78	17	2	3	†
52	Merchants Trust	70	7.7	99	66	26	3	5	†
	Lazard Bros & Co. Ltd.								
47	Raeburn Invest. Trust	113	6.9s	169	69	24	1	6	†
37	Romney Trust	84	6.3s	121	60	33	2	5	161
	Martin Currie & Co. CA								
†	Canadian & Foreign Invest. Trust	*101*	6.8	†	†	†	†	†	†
19	St. Andrew Trust	111	7.2s	160	72	21	3	4	170
94	Scottish Eastern Invest. Trust	61	6.7s	85	64	30	3	3	166
†	Scottish Ontario Invest. Co.	57	7.0	†	†	†	†	†	†
†	Securities Trust of Scotland	84	8.2	†	†	†	†	†	†
	Murray Johnstone Ltd.								
44	Murray Caledonian Invest. Trust	45	*4.6	67	48	33	7	12	161
64	Murray Clydesdale Invest. Trust	44	*4.8	62	46	34	8	12	160
16	*Murray Glendevon Invest. Trust*	83	*3.7	125	51	28	8	13	171
7	Murray Minor Invest. Trust	71	*4.8	100	53	31	8	8	179
22	Murray Northern Invest. Trust	50	*4.5	74	44	36	8	12	160
72	Murray Western Invest. Co.	56	*5.4	80	49	33	7	11	160
	J Henry Schroder Wagg Group								
21	Ashdown Invest. Trust	130	6.2s	189	57	33	6	5	173
8	Australian & International Trust	94	5.1	127	45	7	—	48	140
29	Broadstone Invest. Trust	140	6.5s	203	55	35	5	5	180
53	Continental & Industrial Trust	202	5.5s	291	65	33	—	2	190
29	Trans-Oceanic Trust	160	6.0s	234	51	38	5	6	173
13	*Westpool Invest. Trust*	100	*5.7s*	141	55	33	7	5	175
	Stewart Fund Managers Ltd.								
73	Scottish American Invest. Co.	97	5.2	122	57	30	1	12	221
†	Scottish European Invest. Co.	36	6.6	—	†	†	†	†	†
	Touche Remnant & Co.								
107	*Atlas Electric & General Trust*	62	5.2	92	70	13	3	14	205
83	Bankers' Invest. Trust	58	7.5	83	80	13	1	6	174
16	CLRP Invest. Trust	68	7.4	103	67	11	—	22	171
32	Cedar Invest. Trust	69	8.3	95	75	10	3	12	175
46	City of London Brewery & Inv. Trust	64	7.9	93	96	1	—	3	199
30	*Continental Union Trust*	*110*	*5.8*	*163*	67	17	2	14	174
192	Industrial & General Trust	59	5.4	84	70	14	2	14	203
40	International Invest. Trust	71	7.6	108	78	14	5	3	173
54	Sphere Invest. Trust	113	5.4	164	71	18	3	8	185
38	Trust Union	57	5.8	81	70	17	1	12	187
73	Trustees Corporation	56	5.9	78	73	9	1	17	211
	Williams & Glyn's Bank Ltd.								
10	Sizewell European Invest. Trust	70	4.3	92	□36	10	—	54	109
2	Atlanta Baltimore & Chicago	50	2.4	61	□25	75	—	—	158
2	West Coast & Texas Regional	62	2.9	73	□20	80	—	—	159
	VALUATION THREE-MONTHLY								
81	Anglo-American Securities Corpn.	91	6.6s	135	70	19	4	7	†
15	Dundee & London Invest. Trust	60	7.3s	87	80	13	3	4	191
40	First Scottish American Trust	84	7.1	118	66	25	8	1	167
3	*Lancashire & London Invest. Trust*	44	7.1	68	88	9	—	3	†
26	North Atlantic Securities Corpn.	84	6.4	125	69	21	3	7	147
47	Northern American Trust Co.	88	6.5	128	63	26	9	2	169
10	Oil & Associated Invest. Trust	76	4.8s	95	68	26	—	6	241
19	River Plate & General Invest. Trust	176	7.3	247	82	4	—	14	†
159	*Rothschild Invest. Trust*	308	4.4	414	82	1	—	17	202
13	Safeguard Industrial Investments	91	7.4	112	100	—	—	—	235
12	cScottish & Mercantile Invest. Co.	130	5.2	208	93	7	—	—	†
10	Scottish Cities Invest. Trust	218	6.6	287	87	5	—	8	†
18	Yeoman Invest. Trust	196	7.9s	270	84	9	1	6	†
	Rivermoor Management								
†	London Trust	135	5.6	—	†	†	†	†	†
16	Moorside Trust	100	8.6	139	65	23	—	12	†
33	River & Mercantile Trust	198	8.7s	270	87	2	—	11	†

INDICES OF FIVE YEAR TOTAL RETURN

General Trust Average	185
F.T.—Actuaries All Share	248
*Standard & Poors Composite	89
*Capital International World	91

*Adjusted for exchange rate changes.

NOTES TO THE TABLE

† No data.
x *Split capital trust (capital shares).*
* Applies to Ordinary/"A" Ordinary only.
s Does not include special dividend.
□ More than one quarter in non-equity investments.
ac Adjusted for scrip issues.
c Not approved for capital gains tax purposes.
‡ *Figures not provided in view of announced discussions or recent developments affecting the company.*

(a) Cols. 1, 3 to 5 — Figures supplied by Wood Mackenzie & Co., *members of The Stock Exchange.* Col. 1 to nearest £1m; Cols. 3 & 5 to nearest penny per share.

(b) Cols. 1, 5 — Statistics simulated to date shown based on latest valuations supplied by the companies and made available to The Stock Exchange. In these valuations listed securities are valued at mid-market prices and unlisted at directors' valuation. All revenue account items are excluded.

(c) Col. 4 — Based on last declared dividend or firm forecast plus tax credit or firm forecast to nearest 0.1 per cent.

(d) Cols. 6 to 9 — Percentages of total assets less current liabilities. Currency balances are allocated to the relevant *geographical sector.*

(e) Cols. 5, 10 — Prior charges and preference share capital deducted at market value; convertible stocks deemed to be converted; warrants treated as not exercised.

(f) Col. 10 — Figures supplied by AITC Statistics Service, to nearest one per cent. A full description of the *information shown in this column is* given in the Investment Trust Year Book. In summary the figures show the percentage changes in the net asset values over the period assuming that dividends paid excluding *tax credit* were reinvested in the underlying assets of the company.

EXPLANATORY NOTES

Use of total return statistics and care in interpretation

The total return statistic, which adjusts the net asset values for dividends, excluding tax credit, distributed during the period, enables companies with substantially different capital growth and dividend policies to be more fairly compared. A period of five years provides a good indication of trends and, in normal circumstances, should cover a traditional bull and bear market in the major world stock markets.

Each total return figure is indexed from a base of 100 at the commencement of the period and records the movements between two particular dates. Any particular total return figure may thus be affected by exceptional factors, operative at either the base date or at the final date, which were influencing the stock market generally or a sector of the market in which the company was interested. The geographical distribution of a particular company's portfolio should be considered in assessing its relative performance.

While the total return statistic if used with care, provides a valuable guide to past experience which can assist comparison of one company with another, or the trust movement with other investment media, *it should always be borne in mind* that past performance is not necessarily a guide to future achievement.

The total return statistic for split capital trusts is not directly comparable with that for other companies because of the difference in capital structure. The split capital trusts have therefore been identified in the Table and are not included in the General Trust Average index figure.

Calculation of NAV

In order to avoid a plethora of figures and to facilitate comparability, the statistics of net asset value have been calculated on a uniform basis which may, in the case of a particular company, differ from the corresponding figures in its Annual Report and Accounts.

The net asset value is calculated on the "going concern" basis, ie with prior charges deducted at market value, *as it is believed that this basis is the most* widely accepted for comparative purposes.

While the total return statistic if used with care provides a valuable guide to past experience which can assist comparison of one company with another or the trust *movement with other investment* media, it should always be borne in mind that past performance is not necessarily a guide to future achievement.

WORLD STOCK MARKETS

Early Wall St. 1.54 lower

BROADLY LOWER levels were recorded in active trading on Wall Street yesterday, reflecting the failed U.S. military effort to free American hostages in Iran, which chilled investor interest in stocks.

After opening 5.63 down at 791.47, the Dow Jones Industrial Average partially recovered to 795.56 by 1 pm, making a net loss of 1.54 on the day and reducing its advance on the week to 32.16. The NYSE All Common Index, at $59.26, shed 12 cents on the day but was still up $2.05 on the week. Declines led advances by a nine-to-four majority, while the trading volume decreased 4.13m shares to 20.41m compared with 1 pm Thursday.

Analysts said the main concern of the investment community now is the potential for negative repercussions both to the hostages and to chances for a peaceful end to the Iranian crisis.

In economic news, Citibank cut its Prime Rate to 19½ per cent from 19¾ per cent, bringing it into line with most major banks. However, Chase Manhattan and Wells Fargo are each at 19 per cent.

Additionally, U.S. First Quarter Productivity rose 0.6 per cent, the first rise since the fourth quarter of 1978.

While most Industry Groups were weak, Precious Metal shares rose on higher bullion prices and Defence stocks gained ground.

ASA added $1½ at $43½, Dome Mines $1¾ at $63, Homestake Mining $1½ at $47, Hecla Mining $¾ at $28⅝, Callahan Mining $⅞ at $22½ and active Benguet $½ at $9⅞.

In the Defence Group, McDonnell Douglas rose $⅞ to $32¾, General Dynamics $2¼ to $67½, Lockheed $1⅛ to $31⅝, Grumman $¾ to $2¾ and Raytheon $1⅛ to $71⅛.

Active Mobil put on $⅞ to $71¼ after reporting first-quarter net earnings more than doubled and raising the dividend.

Aetna Life lost $⅝ to $34⅞—its first-quarter net earnings fell slightly.

Pan American Airways held unchanged at $4½, despite a March quarter loss. Kerr-McGee came back $2⅜ to $68⅞—it could not explain Thursday's $4¾ rise.

Dow Chemical slipped $½ to $31½ and Tesoro Petroleum $¾ to $19½—they announced plans for an Alasaka petroleum venture.

Cox Broadcasting advanced $1½ to $66 and General Electric put on $¼ to $46⅞—they called off merger plans.

Liggett Group improved $1¾ to $41⅜ on higher first-quarter net earnings.

Allegheny Ludlum rose $½ to $26⅜—it agreed to buy Schenuit Industries' business for $33 a share and Schenuit will offer its holders about $33 a share. Schenuit had yet to trade but closed Thursday at $23½.

Active IBM slipped $½ to $23½, Smithkline $1⅝ to $51⅜, Teledyne $1⅛ to $97⅛, Westinghouse Electric $⅞ to $22⅞ and Texaco $⅝ to $34½.

Dow Chemical shed $½ to $31—it plans an Alaska petrochemical venture with Tesoro Petroleum, off $⅞ to $19½.

THE AMERICAN SE Market Value Index eased 0.30 to 247.61, reducing its rise on the week to 11.89.

Mining shares firmed but Oils were mixed, while Gaming and Computer issues decline.

Wang Laboratories "C" eased $½ to $30½ although it reported higher fiscal third quarter net earnings.

Imperial Oil "A" fell $1⅞ to $34⅞ — it plans a 26m shares Rights offer.

Canada

Markets were mixed in quiet trading around noon yesterday, when the Toronto Composite Index dipped 1.6 to 1,842.2.

But the Gold Share Index moved up 98.4 to 3,013.6, Metals and Minerals 9.3 to 1,797.6 and Oil and Gas 5.1 to 4,073.7, while Banks shed 1.73 to 300.14, Utilities 1.80 to 232.89 and Papers 0.40 to 164.21.

Imperial Oil lost $⅞ to $42½, despite higher first quarter earnings.

Tokyo

Prices rebounded sharply under the lead of Energy stocks, pushing the Nikkei Dow Index up 74.50 to a new record closing of 6,904.81—the first time the Index has gone above the 6,900 level in history. However, trading volume was moderate at about 300m (400m) shares.

Oils, Trading Houses and other Energy stocks like Coals advanced sharply with the support of strong speculative buying.

Nippon Oil rallied Y60 to Y2,390, attributable to market rumours that it will announce an oil exploration plan next week.

Pharmaceuticals like Eisai, Chugai Pharmaceutical and Takeda Chemical Industries were backed up by steady buying by Foreign investors.

But Olympus and other Precision Machineries faced selling pressure.

Steels, Shipbuildings and other Capital-Incentive stocks eased. Textiles and Paper-pulps also moved down.

Australia

Australia and New Zealand were closed for Anzac Day, Italy for Liberation Day and Portugal for the Sixth Anniversary of Revolution.

Germany

Leading shares closed up to DM 5 down in all sectors except Stores, where Kaufhof gained DM 1 to 197. The dominant atmosphere is uncertainty owing to the Iran crisis, but there is also pressure on markets because of end-week position-squaring.

BMW fell DM 5 to 163. In Engineerings KHD and Linde each shed DM 3.50, Deutsche led Banks down DM 3.44 and, elsewhere, Schering dropped DM 4.50 on its lower profits.

Public Authority Loans were mostly weaker on the Domestic Bond Market, with the Bundesbank maintaining market order by purchasing DM 7.3m of stock. Mark denominated Eurobonds were also slack.

Hong Kong

Market closed sharply lower following reports of abortive U.S. attempts to release American hostages in Iran. Trading was moderate.

Hong Kong and Kowloon Wharf, however, gained $HK 2.50 to $HK 68.00.

Hutchison Whampoa fell 40 cents to $HK 8.05 as investors reacted adversely to a statement by Cheung Kong (Holdings) denying rumours it is planning a takeover, while Cheung Kong closed at $HK13.26 ex 37 cents final dividend and one-for-one bonus, compared with $HK 26.00 Thursday.

Jardine Matheson closed at $HK 13.00 ex 60 cents final dividend and 3-for-20 bonus, against $HK 16.30 Thursday.

Singapore

Prices fell across the board on news that an attempted mission to rescue U.S. hostages in Iran had ended in failure. The Straits Times Industrial Index dipped to 467.15 from 473.55.

All issues, including the special situation stocks that have lead the recent modest uptrend, suffered as a result of the news.

Genting, off 20 cents at S$5, said its proposed takeover of three small Hong Kong-held Malaysian Rubber Estates had been approved by Hong Kong Authorities. Brokers agreed the news meant the takeover was virtually assured, although financing remains a minor question.

Johannesburg

Gold Minings and Financials rose sharply in hectic trading in line with the Gold price rise after the abortive U.S. hostage relief attempt in Iran.

Closing prices for North America were not available for this edition.

NEW YORK

CANADA

Stock	April 24	April 23
Abitibi	18¼	18¼
Agnico Eagle	11	10⅝
Alcan Alumn.	29¼	28⅝
Algoma Steel	28½	28¾
Asbestos	35	34
Bk Montreal	23¾	23¾

BELGIUM (continued)

April 25	Price Frs.	+ or —
Petrofina	5,050	—70
Royale Belge	5,660	—90
Soc Gen Banq	2,375	+40
Soc Gen Belge	1,370	—14
Sofina	3,340	......
Solvay	2,455	—40
Traction Elect.	2,460	+20

HOLLAND

April 25	Price Fls.	+ or —
ACF Holding	73.3	+0.8
Ahold	66.3xd	—0.8
AKZO	22.8	—0.8
ABN	294	—2.5
AMEV	98.1	—2.4
AMRO	62.3	—1.2

AUSTRALIA

April 24	Price Aust. $	+ or —
ANZ Group	4.30	+0.05
Acrow Aust	0.80	—0.28
Allstate Expl.	1.10	......
Ampol Pet.	1.08	+0.06
Assoc. Pulp Pap.	1.90	......
Audimco	0.25	......
Aust Cons Ind.	2.01	—0.01

JAPAN (continued)

April 25	Price Yen	+ or —
Kubota	360	+5
Kumagai	340	+3
Kyoto Ceramic	3,110	+30
Lion	352	—8
Maeda Cons.	440	......
Makita	1,030	+55
Marubeni	385	+5

DENMARK

FRANCE

GERMANY

ITALY

NORWAY

SWEDEN

SWITZERLAND

AUSTRIA

BELGIUM/LUXEMBOURG

HONG KONG

SINGAPORE

SOUTH AFRICA

BRAZIL

Indices

NEW YORK—DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

NEW YORK ACTIVE STOCKS

Sulzer profits decline sharply

By Our Zurich Correspondent

PROFITABILITY of the Sulzer group in 1979 was the worst for years, according to Mr. Artur Frauenfelder, general manager of the Swiss machinery group.

Group profits, which fell last year from SwFr 45m to SwFr 35m ($20.64m), were equal to only about 1.2 per cent of capital and reserves, he said. A good return would be more like 6 per cent of capital funds, a level which the company had recorded in the early 1970s.

Group earnings fell despite a further reduction in depreciation of plant and equipment to SwFr 151m. It reflects pressure *on sales prices, insufficient use* of capacity and unsatisfactory results at a number of major group members.

The Winterthur parent company saw a decline in net profits from SwFr 34.34m to SwFr 32.72m, while the German affiliate Escher Wyss of Ravensburg showed substantial losses: about DM 17.9m ($9.77m) of these were assumed by the Swiss parent company.

Argentinian and Brazilian subsidiaries also recorded losses, while net profits of the Escher Wyss division parent Escher Wyss AG of Zurich fell to SwFr 61.84m.

Despite this poor performance, business looks considerably brighter. The value of new orders rose last year for the first time since 1974, reaching SwFr 3.5bn. A marked rise in orders was recorded for textile machinery and the parent-company's products, though the volume of orders for Escher Wyss, in hydraulic equipment, paper industry machinery and process plant, continued to fall.

Mr. Franuefelder believes the 1979 results should prove the Nadir. For this year, figures should be no worse, and it is *possible that the* downward trend will be reversed.

Ciba first quarter sales at an acceptable level

BY JOHN WICKS IN ZURICH

FIRST QUARTER results taking in very satisfactory sales and a decent level of profits are reported by Ciba-Geigy, the largest chemicals group in Switzerland.

The upturn in turnover is partly the result of price increases, the group said but stressed that it had hopes of maintaining profits at an acceptable level over the next few months.

Speaking at the annual Press conference, chairman Dr. Louis von Planta, said that this year Ciba planned to spend SwFr 850m ($500m) within the group, or roughly two-fifths more than in 1979.

Sales of SwFr 3.42bn were up 25 per cent. This increase is due partly to price *increases which last year proved inade*quate to meet the rapid growth of costs.

Until late last year the company had expected better results from 1979 than those which it finally realised. Although the parent undertaking recommends unchanged dividends of SwFr 22 per share and participation certificate having booked a rise in net profits from SwFr 122.8m to SwFr 127m last year, group operating profits fell 9 per cent to SwFr 327m.

Earnings *suffered* from the sharp rise in costs particularly late in the year when raw materials and intermediates rose at a rate which had not been anticipated. Especially badly hit was the Ilford photo*graphics division.* A five-gold silver price increase during the year plus "certain structural difficulties" and the strengthening of sterling led to a sizable loss for Ilford in 1979.

Ciba's capital spending this year includes work on a large-scale waste treatment plant in *Basle and the Ciba-Geigy-Bayer* AG joint-venture intermediates plant at Brunsbuettel in northern Germany.

By the end of 1980 Ciba hopes that all settlements will have been reached in the case of the so-called SMON disease in Japan. Of the compensation sum of abolt SwFr 300m an*nounced last year as a settle*ment, some SwFr 155m had been paid by the end of last month.

German retailer cuts payment

BY KEVIN DONE IN FRANKFURT

THE MASSIVE sales effort mounted last year by Kaufhof, West Germany's second largest stores group, appears to have back-fired leaving the group with lower profits and a cut dividend.

Kaufhof said yesterday that its after-tax profit in 1979 fell to DM 39.3m ($21.8m), a drop of just under 28 per cent from *DM 54.5m in 1978.*

The decline in profitability last year left Kaufhof with its lowest net income for more than a decade. At the same time it has had to cut its dividend to DM6 per share from DM8 last year. In 1979 shareholders received DM7 per share plus a jubilee bonus of DM1 per share.

To celebrate its 100th anniver*sary last year Kaufhof launched* a special sales promotion with a range of cut-price offers. The promotion achieved the desired *affect of boosting sales and* during the particular two-week period of the jubilee celebration sales jumped 90 per cent above the corresponding weeks of 1978.

After a weak start to the year the special promotions succeeded in pushing group sales *for 1979 to some DM 7.99bn,* an increase of 8.2 per cent over the previous year.

Such an expansion was well above the growth achieved generally by the retail sector in West Germany last year, but it has been made at a clear cost to company profits.

Like other retail groups it *has been hit hard by the com*petition of the hypermarkets.

● MAN, major engineering group, will have earnings for *the year ending June 30* at the same level as the previous year's DM 70m group profit, managing board chairman Mr. Otto *Voisard told journalists* at the Hanover Trade Fair.

Voisard said a major reason for the unchanged earnings despite higher sales and order inflow was the decline of the yen on the foreign exchanges, which affected MAN's ship motor business with Japan. MAN's order book expanded by 16 per cent to DM 6bn from its *level of June 30, 1979,* the company said.

● Elektrisk Bureau, a Norwegian telecommunications and electronics group, reported sales totalling NKr 39bn ($7.8bn) for 1979, up 16 per cent, writes Fay *Gjester in Oslo. Exports rose* 30 per cent to NKr 256m.

Gross profit before depreciation reached NKr 114m, 8 per cent of turnover, compared with 9 per cent a year earlier. An unchanged dividend of NKr 15 per share is proposed.

Superfos to maintain dividend

BY HILARY BARNES IN COPENHAGEN

SUPERFOS, the Danish chemicals group, plans to maintain a 12 per cent dividend despite 1979 pre-tax earnings falling to DKr 98m ($17.2m) from DKr 174m in 1978. Net profits fell to DKr 83m from DKr 149m.

The reduction *in earnings* was caused by a los of DKr 131m on the operation of an amonia plant at Brunsbüttel, West Germany, which is jointly owned with Vaba, the West German group.

The result was improved to some extent by a reduction in depreciation costs on the amonia plant from DKr 49m to DKr 18m. The company said it expected the market price for amonia to *improve this year.*

With the exception of the loss in Germany, the group's activities showed a satisfactory return, giving the best results so far achieved, the company said. Its products include fertilisers, road materials, glass wool packaging and agro-chemicals. Sales were up by DKr 610m to DKr 3.87bn.

The company spent DKr 285m on new fixed investment last *year and plans to boost this to* about DKr 500m this year, including the construction of a new glasswool plant in Denmark and the purchase of a share in a phosphate mine in Florida.

Poclain climbs out of the red

By David White in Paris

THE LONG recovery programme at Poclain, the leading French construction equipment company, produced its hoped-for results last year with group net profits of FFr 80.7m ($18.8m) *after four years of heavy losses.*

In 1978 the loss had been cut back to FFr 13.4m and the company passed the breakeven point in the first half of last year.

The revival was set in train by Case Tenneco, the U.S. group, when it took 40 per cent stake in Poclain in 1977. M. Pierre Bataille, Poclain's chairman, had expressed *hopes* for a recovery this year.

Group sales for Poclain, which is the world's top producer of hydraulic excavators, rose to FFr 2.41bn last year from FFr 2.16bn. In the first quarter of this year sales were 15.5 per cent higher at FFr 623m.

● The takeover by French interests of the country's lead*ing TV rental company, Locatel,* in a Government-backed plan to exclude Thorn of the UK, has been completed by the purchase of a majority of the company's shares on the Paris stock market.

CIT-Alcatel, the telecommunications arm of the CGE group, said it and the other top French electronics group *Thomson-CSF had between them* bought 68 per cent of the capital.

Small earnings growth for Oerlikon

By Our Zurich Correspondent

NET PROFITS of Oerlikon-Buehrle Holdings AG, Zurich, rose to SwFr 61.6m ($36.34m) last year from SwFr 56.2m in 1978. The board of the company, *the parent of the diversified* Oerlikon-Buehrle, the military and industrial equipment group, is to recommend payment of an unchanged 15 per cent dividend plus a half-dividend on shares issued last year.

Consolidated group profits rose to a record SwFr 243.9m from SwFr 227.9m. Total group turnover went up 15.2 per cent to SwFr 3.88bn. This did not include sales of SwFr 248.7m by the Cleveland, Ohio, company Motch Merryweather machinery, which the group acquired during the year.

Underwriting experience at Aetna deteriorates

BY JOHN MAKINSON IN NEW YORK

FIRST QUARTER figures from Aetna Life and Casualty, the largest publicly owned insurance company in the U.S., show that the cyclical underwriting downturn in the insurance industry is fully underway.

Net operating income was $122.7m, almost level with the 1979 figure of $122.9m. Earnings had already begun to slip in the final quarter of last year after a period of steady growth.

After realised capital gains of $5.2m in the first quarter of this year, net earnings were almost $4m higher at $127.9m. Revenues have continued to move ahead strongly, rising 32.5 per cent to $3.47bn over the period. This increase was largely due to strong sales of group pension products.

Premium income and investment income both showed gains of 32 per cent to $2.8bn and $620m respectively but improved earnings from group and individual life divisions were offset by a continued decline in underwriting results from the casualty-property division.

Casualty-property underwriting showed a loss before tax *of $33.6m compared with a profit* of $12m in the first quarter of last year.

At the beginning of the year, analysts on Wall Street were forecasting that Aetna's earnings would be little changed in 1980 from the previous year. Underwriting experience was expected to worsen, but the news that investment income has shown an increase in the first quarter seems to be an unexpected bonus.

Aetna's operations outside the insurance world are still on a relatively small scale — only 3 per cent of 1978 profits came *from the diversified business* division — but the company has been seekin gto extend non-insurance activities. At the end of last year, it paid about $90m cash for 10 shopping centres of General Growth Properties — *also taking on some $70m debt.*

Aetna's chief business operations are conducted through its subsidiaries, Aetna Life Insurance and Aetna Casualty and Surety, which are respectively the largest stock life company *and the second largest property* casualty company in the U.S.

Sharp upturn in Sun's income

By Our Financial Staff

EARNINGS HAVE doubled in the first quarter at Sun, the major U.S. integrated oil company. Total net profit increased from $128.3m to $251.3m, with earnings per share at $4.17 *against $2.18. Sales rose from* $2.4bn to $3.1bn.

Sun, based in Philadelphia, is currently offering $2.3bn in cash and notes for the U.S. oil and gas interests of Seagram, the Canadian distilling group.

Earnings rose sharply to $11.15 a share in 1979, but analysts have been forecasting little change in this figure for the current year.

Imperial Oil announced that under a planned rights offering, about 26m Class A shares will be offered on the basis of one new share for every five Class A or Class B shares held.

The proposed offering is subject to change as a result of market conditions and other factors.

The company expects the offering to be made in May and *that shareholders will have* about three weeks to exercise their right to subscribe for additional shares.

Exxon, which owns about 69.6 per cent of its outstanding stock, has advised that it will subscribe for the additional shares to which it is entitled.

Net proceeds would be added to the general funds of the company and applied to capital and exploration expenditures.

COMMODITIES/REVIEW OF THE WEEK

Iran crisis boosts metal prices

BY OUR COMMODITIES STAFF

COMMODITY PRICES ended the week on a firm note reacting to the abortive U.S. rescue mission in Iran. However, it was noticeable that after the initial upsurge, fundamental supply-demand factors quickly re-asserted themselves cutting *back most of the earlier gains.*

Most affected were the metals. The rise in gold was viewed as surprisingly mild by some traders, however. This in turn restrained the platinum and silver markets. However, silver *was boosted as well by reports* that the U.S. Federal Reserve had provided support for a consortium of U.S. banks to lend the Hunt brothers $800m to meet the obligations in the silver market.

On the London Metal Exchange copper prices were marked up substantially in early trading but lost scome of the initial gains later. Cash wirebars traded at £990 at one stage before closing at £952 a tonne. However, this was still £52.5 up on the day and £21 higher than a week ago. The strength of the reaction, particularly in early trading, was exaggerated by the fact that for most of the week prices had been under *downward pressure* and in fact fel to teh lowest point since August last year at one stage. Cash wirebars declined to £883 on Tuesday reflecting general pessimism about the industrial outlook, and lack of consumer or speculative buying interest. But sentiment then improved as U.S. interest rates came down and on forecasts of another decline in LME warehouse stocks of copper.

Tin moved very erratically. The cash price in London actualy closed down on the day at £7,692.5 a tonne, although it was marginally up on the week following signs of a renewed squeeze on nearby supplies. The thre months quotation was lower despite a steady rise in the Penang market.

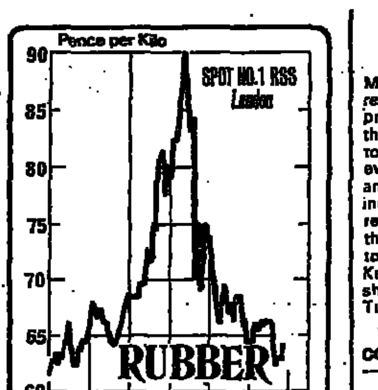
West German zinc smelter, Metallgesellschaft, announced a cut in its European producer price from $825 to $760 a tonne. This was followed by other producers cutting their European zinc price to $780 and there was a spate of price reductions in the U.S. market too. A major influence behind the producers decision to cut their official zinc prices was the recent sharp fall in the LME zinc market as well as poor demand. Ironically, however, LME zinc values were much steadier this week.

Cocoa prices continued relatively weak though the producer selling which encouraged the recent sustaine dfall was not so much in evidence. Values fell quite sharply on Monday but recovered marginally on Tuesday to end a run of nine consecutive falls which had wiped more than £140 off the July futures quotation.

July cocoa regained another £11 yesterday but still ended the week £10 down at £1,280.5 a tonne.

The tone on the sugar market was uncertain. After-hours selling last Friday was continued on. Monday trimming nearly £12 off the August futures price. On Tuesday however, reports that Russia had bought sugar from the PJhilippines prompted a sharp recovery.

Rubber prices declined again this week with the RSS No. 1 spot position ending 1.5p lower at 64p a kilo. The declining trend was reported to have caused the U.S. Firestone Tyre company to try to cancel contracts taken out earlier. The reports were unconfirmed, however, and other U.S. tyre companies denied that they were seeking to back out of contracts.



WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1980 High	1980 Low
METALS					
Aluminium	£810/815	—	£710	£810/815	£760/70
Free Markets c.i.f.	$1,890/1,920	+10	$1,580/600	$2100/2200	$1750/1800
Antimony					
Free Market 99.6%	$3,460/3,450	—10	$3,060/100	$3,435	$3290/3300
Copper Cash Wire Bars	£952	+21	£1,007	£1,372	£899
3 months Do. Do	£973	+11.5	£1,006.5	£1,376.5	£912.5
Cash Cathodes	£924	+24.5	£999	£1,316	£860.5
3 months Do	£954	+24.5	£998.75	£1,343.5	£889.5
Gold per oz	$560.5	+38	$244.875	$835	$473
Lead cash §	£413.5	—26.5	£579.5	£579	£412
3 months §	£410.75	—20.25	£532.5	£4715	£409.5
Nickel	£3,477	—	£2,750.09	£3,477	£3,195.78
Free Market c.i.f. lb.	275/305c	—10	266/90c	315/345	270/310c
Platinum per oz.	£189/193	—	£159	£195	£189
Free Market per oz.	£268.95	+4.35	£195.65	£466.6	£234.50
Quicksilver (76lbs.)	$400/410	—2	$270/80	$405/415	$375/380
Silver per oz.	679.20p	+23.8	369.55p	2,165.05p	605.35p
3 months per oz	701.20p	+22.9	378.95p	2,185.05p	627.35p
Tin cash	£7,692.5	+25	£7,540	£8,350	£7,235
3 months	£7,595	—70	£7,165	£8,385	£7,167
Tungsten Ind.	$140.73	—	$137.42	$141.56	$137.75
Wolfram (22.04 lb)	$140/145	—2	$135/40	$147/151	$128.50/134
Zinc cash	£312	—89	£386	£400	£296.5
3 months	£321	—15	£397.25	£415.5	£307
Producers	$760/825	—	$800	$825	$780
GRAINS					
Barley					
Home Futures	£91.10	+1.15	£87.65	£101.55	£89.95
Maize					
French No. 3 Yellow (Amer)	‡	—	£118	£119	£116
WHEAT					
No. 1 Red Spring	‡	—	‡	‡	‡
Am. Hard Winter	‡	—	‡	£105	£92.75
Eng. Milling (new crop)	‡	—	£101.5	‡	‡
SPICES					
Cloves (g)	£4,175y	—	£3,960	£4,175	£3,670
Pepper, white	$2,500y	—25	$2,659	$2,825	$2,500
" black	$1,700y	—50	$1,700	$2,025	$1,700
OILS					
Coconut (Philippines)	$617.50w	—	$1,100	$925	$617.50
Groundnut 5%	‡	—	‡	£457	‡
Linseed, Crude	£395	—35	£411	$464	£368
Palm Malayan	$605t	—10	$670	$725	$600
SEEDS					
Copra (Philippines)	$395	—35	$735	610	$395
Soyabeans (U.S.)	$265.60t	—0.4	$307	$304	$260.6
OTHER COMMODITIES					
Cocoa Shipment	£1,321	—	£1,662	£1,540	£1.297
F'ts 2nd psn	£1,280.5	—10	£1,606	£1,513.5	£1,256.5
Coffee Futures July	£1,667.5	—19.5	£1,579	£1,702.5	£1,479
Cotton Index	89.70c	—1	74c	98.40c	85.85c
Des. Coconut	£716	—	£725	£740	£700
Jute LJ ABW C grade	£226y	—	$492	£226	£216
Rubber kilo	64p	—1.5	60.25p	80p	62.50p
Sago Pearl	£204y	—	£188	£216	£204
Sisal No. 3 L	$885	—	$625	£885	£885
Sugar (Raw)	£244	+4	£97	£287	£164
Tapioca No. 1	£202y	—	£184	£221	£202
Tea (quality) kilo	138p	—	125p	150p	132p
" (plain) kilo	59p	—1	78p	64p	55p
Wooltops 64s Warp	294p kilo	—1	284p kilo	308p kilo	276p kilo

‡ Unquoted. (g) Madagascar. (x) May. (t) June. (w) May/June. (y) April/May. (v) July.

BASE METALS

COPPER—Moved ahead on the London Metal Exchange. News of the attempted *rescue of the U.S. hostages in Iran* prompted a wave of short covering in the market which lifted forward metal to £1,005 during the second Ring. However, profit-taking emerged at this level and the price dipped to end the morning Kerb at £970. In the afternoon renewed profit-taking was reported and three-months material fell further to touch £955 prior to closing the late Kerb at £960. Stocks are expected to show a modest decline over the week. Turnover: 3,365 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	989-90	+98	951-3	+6.5
3 months	1005-7	+88.5	972-4	+9
Settlem't	990	+98	—	......
Cathodes				
Cash	950-5	+87	922-6	+54
3 months	982-3	+87	952-6	+53.5
Settlem't	955	+89	—	......
U.S. Prod	—	......	*90.96.25	......

Amalgamated Metal Trading reported *that in the morning cash wirebars* traded at £985, 88, 90, three months £985, 92, 90, 91 90, 89, 90, 95, 96, 97, 98, 99, 1,000, 999, 98, 95, 94, 92, 90, 92, 93, 94, 95, 98, 1,000, 05, 07, 06. *Cathodes, three months* £983. Kerb: Wirebars, three months £1,000, 997, 96, *95, 90, 85*, 86, 80, 82, 83, 84, 83, 82, 78, 75, 72, 70, 68, 72, 73, 74, 76. Afternoon: Wirebars, three months £982, 78, 75, 73, 72, 75, 76, 77, 78, 80, 82 81, 80, 79, 76, 75, 76, 74, 73. Kerb: Wirebars, three months ...965, 64, 63, 62, 61, 60, 58 57, 55, 57, 59, 60, 61, 62, 64, *63, 64, 62, 61..*

TIN—Barely changed on balance. The initial sharp rise in copper following the Iranian news saw forward metal marked up to around £7,700 at the outset and move up to £7,730 during the Rings. However, during the afternoon, heavy selling was reported and this continued throughout the session with forward metal falling sharply to close the late Kerb at £7,570. Turnover: 1,090 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7820-30	+85	7685-700	—17.5
3 months	7730-40	+130	7600-10	+15
Settlem't	7830	+80	—	......
Standard				
Cash	7820-30	+85	7686-700	—17.5
3 months	7720-30	+130	7590-600	+12.5
Settlem't	7830	+80	—	......
Straits E.	‡$2380	+85		......
NewYork	—	......		......

Morning: Standard, cash £7,840, 50, 40, 30, three months £7,730, 20. Kerb: *Standard, three months* £7,730, 20. Afternoon: Standard three months £7,680, 70, 80, 90, 80, 70, 60, 50, 20, 10, 7,600, 7,590. Kerb: Standard, three months £7,620, 7,590, 80, 70.

LEAD—Barely changed. Forward metal moved up strongly in the morning, in the wake of copper to touch £420, but subsequently came under profit-taking which *pared the price to* £408.5 on the afternoon Kerb. Turnover: 23,450 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	421-3	+1.5	413-4	—2.5
3 months	418-9	+3.5	410-1	—2.5
S'ment	423	+2	—	......
U.S. Spot	—	......	*48	......

Morning: Cash £420, 21, three months £420, 19, 18, 16, 17, 16, 18, 20, 19, 20, 19.5, 19, 20, 19, 18. Kerb: Three months £419, 18, 17. Afternoon: Three months £418, 17 15, 14, 13, 12, 11. *Kerb: Three months* £410, 09, 8, 7, 6, 7, 6, 7, 8...

ZINC—Firmer with the market buoyed by copper. Three months metal traded from £316 up to £330 before easing on profit-taking to close the late Kerb at £318. Turnover: 8,775 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	320-1	+14.5	311-3	+5.5
3 months	328-30	+15	320-2	+6.5
S'ment	321	+14	—	......
Primw'ts	—	......	*37.5	......

Morning: Cash £316, 21, three months £323, 22, 23, 24, 25, 26, 27, 28, 29, 28 27, 28, 29, 28. Kerb: Thre months £325. Afternoon: Three months £325, 20, 21, 22, 21.5, 21. Kerb: Three months £320, 19, 18, 16, 15.

ALUMINIUM—Higher reflecting the *general firmness in other metals.* Forward metal opened sharply higher at £826 and moved up to £845 before easing to close the late Kerb at £823. Turnover: 7,900 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	†+ or —
	£	£	£	£
Spot	873-5	+28	858-62	+14.5
3 months	842-3	+30	829-30	+11.5

Morning: Cash £877, 75, 74, three months £842, 41, 40, 41, 42 44, 45, 44. Kerb: Three months £839, 37. Afternoon: Three months £837, 38, 35.5, 36, 35, 34, 30, 28, 29. Kerb: Three months £828, 27, 25, 23, 24, 23, 22.

NICKEL—Moved ahead following the trend in other metals. Forward metal opened higher at £2,810 and reached *the day's high of £2,850 on the second* Ring before easing on profit-taking to end the day at £2 805. Turnover: 860 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2745-55	+75	2700-10	+40
3 months	2846-50	+87.5	2805-10	+37.5

Morning: Three months £2,840, 45, 50. Kerb: Three months £2,850, 45. Afternoon: Three months £2,840, 30, 15, 10.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 51.3p an ounce *higher for spot delivery in the London* bullion market yesterday at £6.792. U.S. equivalents of the fixing levels were: spot $15.52, up $1.269; three-month $16.005, up $1.274; six-month $16.546, *up* $1.234; *and* 12-month $17.555, up $1.256. The metal opened at £6.8-6.95 ($15-15½) and closed at £6.45-6.80 ($14¾-15½).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	679.20p	+51.3	652.5p	+12
3 months	701.20p	+50.8	677.5p	+14.5
6 months	726.20p	+48.8	—	......
12months	773.20p	+48.8	—	......

LME—Turnover 263 (166) lots of 10,000 ounces. Morning: Three months 740, 30, 25, 20, 25, 15, 20, 18, 17. Kerbs: Three months 714, 15, 20, 15, 700, 05. Afternoon: Three months 705, 07, 6, 5, 2, 690, 88, 87, 85, 82, 80. Kerbs: Three months 675.

COCOA

Cocoa futures rallied sharply during the morning session as the Iranian *crisis prompted short covering.* There were reports during the afternoon that producers sold cocoa for summer shipment, consequently earlier gains were significantly pared, reports Gill and Duffus.

COCOA	Yest'rdays Close	+ or —	Business Done
May	1279-74	+16	1292-66
July	1280-81	+11	1305-1277
Sep	1298-1300	+5.5	1320-1298
Dec	1345-46	+4.5	1366-45
March	1379-80	+1	1398-78
May	1400-05	+2.5	1425
July	1420-35		—

Sales: 3,301 (1,784) lots of 10 tonnes.

COFFEE

Rosbustas opened slightly easier to reflect the continuing strength in sterling, reports Drexel Burnham Lambert. In mid-afternoon prices rallied on a surge of commission house buying that was prompted by a strong New *York performance. Towards the close* values returned to the opening call levels in thin volume.

COFFEE	Yesterd'ys Close	+ or —	Business Done
	£ per tonne		
May	1619-22	—5.0	1628-19
July	1666-68	—5.5	1675-64
Sept	1703-04	—6.5	1713-02
Nov	1721-22	—5.0	1731-20
January	1718-20	—3.5	1725-17
March	1660-66	—1.0	1672-65
May	1650-66	—5.5	—

Sales: 2,096 (2,913) lots of 5 tonnes.

ICS indicator prices for April 24 *(U.S. cents per pound)*: Other Mild Arabicas 179.83 (181.00); Robustas ICA 1976 162.25 (164.50); ICA 1968 162.50 (164.75). Unwashed Arabicas 210.50 (same). Comp. daily ICA 1968 186.47 (187.58).

GRAINS

The market opened unchanged to 10p higher on old crops, values dipped sharply after lunch but sellers evaporated and the market rallied to *close 5p lower on the day.* Barley remained steady in thin volume and closed 40p up on the day. New crops remained steady and gained 15p-20p on wheat and 10p-15p on barley, reports Acli.

M'nth	WHEAT Yesterday close	+ or —	BARLEY Yesterday close	+ or —
May	93.05	—0.05	92.50	+0.40
Sept	93.45	+0.25	91.10	+0.15
Nov	97.15	—0.15	95.15	+0.15
Jan	101.10	+0.15	98.85	+0.10
Mar	104.45	+0.10	102.15	+0.15

...Business done—Wheat: May 93.00-92.55, *Sept. 93.60-93.45, Nov. 97.30-*97.10, Jan. 101.25-100.95, March 104.65-104.35. Sales 80 lots of 100 tonnes. Barley: May 92.50-92.20, Sept. 91.25-90.95, Nov. 95.25-94.95, Jan. *9.00-98.85, March 102.10-102.10.* Sales 70 lots of 100 tonnes.

IMPORTED—Wheat: U.S. Dark Northern Spring No. 2 14 per cent, May 92.50, June 93.00, July 93.50 transhipment East Coast. English Feed fob: May 98.00, June 100.00 East Coast. Maize: French April 117, May 117.50 East Coast. South African Yellow May-June 80.00. Barley: English Feed fob May 98.00, June 99.00, Oct. 95.25, Oct.-Dec. 97 East Coast. Rest unquoted.

HGCA—Locational ex-farm spot prices. Other milling wheat: E. Midlands 96.30, N. East 97.00. Feed barley: Eastern 93.00, N. East 92.60, Scotland 90.10.

RUBBER

The London physical market opened steadier with fair interest throughout the day, closing on a slightly easier note. Lewis and Peat reported a Malaysian godown price of 320 (315) cents a kg (buyer, May).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
May	66.90-67.40	64.20-64.50	67.30-67.00
June	68.00-68.80	65.50-65.60	69.00
Jly-Sept	69.10-69.20	67.70-67.90	70.50-67.60
Oct-Dec	72.00-73.00	71.60-71.70	73.50-71.50
Jan-Mar	75.50-75.70	74.30-74.40	76.60-74.50
Apr-Jne	78.50-78.60	76.90-77.00	78.80-78.60
Jly-Sept	81.20-81.50	79.60-79.70	82.10-81.50
Oct-Dec	83.80-85.90	82.40-82.50	84.00-85.90
Jan-Mar	86.50-86.70	85.00-85.40	—

Sales: 736 (425) at 15 tonnes, 15 (169) at 5 tonnes.

Physical closing prices (buyers) were Spot 64.00p (63.00p); June 69.25p (68.00p); July 70.00p (68.75p).

SOYABEAN MEAL

The London market opened 30p higher but heavy short covering soon became evident due to the Middle East tensions pushing prices £1.00-£1.50 higher by the calf, reports T. G. Roddick.

	Yest'rday Close	+ or —	Business Done
	£ per tonne		
June	108.70-08.8	+1.30	108.80
August	108.50-08.8	+3.20	108.50
October	106.60-06.8	+1.15	106.90-05.50
December	109.10-09.6	+0.80	—
February	111.50-12.5	+0.80	—
April	115.50-14.5	+1.0	—
June	114.00-15.0	+1.0	—

Sales: 696 (17) lots of 100 tonnes.

AMERICAN MARKETS

NEW YORK, April 24.

GOLD AND SILVER closed sharply higher on threats by Iran to block shipping in the Persian Gulf. Copper was higher on sympathetic buying by commission houses on the firmer tone to gold. Sugar was sharply higher, *prompted by the sharp rise in precious* metals. Cotton was firm on tightness in nearby supplies. Cocoa was slightly higher on light manufacturer buying, while coffee was lower on the lack of dealer activity. Late rally in wheat carried soyabeans and the grains to moderately higher closes. The livestock complex was mixed in a narrow trading *range.* Reported Heinold.

Cocoa—May 127.40 (125.65), July 124.65 (123.40), Sept. 125.65, Dec. 2640, March 2660, May —, July —, Sept. —. Sales: 829.

'Coffee—"C" Contract: May 181.75-182.00 (183.59), July 190.50-191.25 (192.43), Sept. 188.50-189.50, March 182.50-182.75, May 183.25-183.75, July 185.00-186.00, Sept. 187.24-187.25. Sales: 4,805.

Copper—April 88.70 (85.75), May 88.70-88.90 (85.90), June 90.10, July 91.10-91.50, Sept. 93.00-93.30, Dec. 95.70-96.00, Jan. 96.40, March 97.70, May 99.00, July 100.30, Sept. 101.60, Dec. 103.50, Jan. 104.20. Sales: 8,400.

Cotton—No. 2: May 85.30 (83.02), July 81.98 (79.98), Oct. 76.70-77.00, Dec. 73.90-74.00, March 74.95-75.00, May 76.00-77.00, July 76.60-77.60, Oct. 77.50-79.00. Sales: 11,550.

*Gold—April 530.0 (507.0), June 537.0-539.0 (508.3), Aug. 552.0-553.3, Oct. 566.2, Dec. 579.0, Feb. 591.2, April 603.3, June 615.0, Aug. 626.6, Oct. 638.0, Dec. 649.4, Feb. 660.8. Sales: 16,000.

Orange Juice—May 89.10-88.35 (88.90), July 89.10-89.20 (86.85), Sept. 89.80-90.00, Nov. 90.60-90.75, Jan. 90.70-91.00, March 91.50-91.80, May 92.35-92.70, July 93.20-93.70, Sept. 93.45-94.00. Sales: 700.

Potatoes (round whites)—May 46.9-47.4 (45.5), Nov. 73.8-73.9 (73.8).

*Platinum—April 578.0 (564.5), May unquoted (unquoted), June unquoted, July 592.0, Oct. 614.0, Jan. 636.0, April 657.0, May unquoted. Sales: 536.

‡Silver—April 1485.0-1475.0 (1364.5), May 1415.0 (1365.0), June 1434.0, July 1453.0, Sept. 1481.0, Dec. 1540.0, Jan. 1567.0, March 1604.5, May 1642.0, July —, Sept. 1717.0, Dec. 1772.0, Jan. 1790.5. Sales: 4,000. Handy and Harman bullion spot 1430.0 (1360.00).

Sugar—No. 11: May 22.75-22.90 (22.76), July 24.10-24.35 (23.88), Sept. 24.95-25.10, Oct. 25.40-25.50, Jan. 26.00, March 26.95-26.98, May 26.95-27.05, July 27.15-27.35, Sept. 27.30-27.60. Sales: 15,150.

Tin—805.00-816.00 asked (794.00-810.00).

CHICAGO, April 24.

Lard—Chicago loose 18.75 (same). New York prime steam unavailable.

Live Cattle—June 66.40-66.70 (66.40), Aug. 65.25-65.40 (66.07), Oct. 64.02-64.15, Dec. 64.60-64.50, Jan. 64.75, Feb. 65.30, April —.

Live Hogs—June 35.60-35.75 (35.82), July 37.10-37.00 (37.17), Aug. 36.70-36.87, Oct. 36.90-36.60, Dec. 39.20-39.25, Feb. 42.05, April 41.70, June 44.45.

‡‡Maize—May 267¼-268 (267¼), July 280¼-279¾ (279¾), Sept. 290, Dec. 295¾-295½, March 305-305½, May 313-313¼.

‡Soyabeans—May 597¾-598 (594¾), July 622-621 (617¼), Aug. 631¼, Sept. 640, Nov. 655¼-655, Jan. 671¾, March 686, May 702½.

||Soyabean Meal—May 168.4-168.1 (165.7), July 174.0-173.8 (173.8), Aug. 177.1, Sept. 179.8, Oct. 183.0, Dec. 186.5-188.5, Jan. 188.7-189.5, March 194.0-193.0, May 197.0-198.0, July 199.0-200.0.

Soyabean Oil—May 20.20-20.17 (20.20), July 20.67-20.65 (20.88), Aug. 20.95-21.00, Sept. 21.15, Oct. 21.75, Dec. 22.15-22.13, Jan. 22.30-22.35, March 22.60-22.60, May 22.85-22.85, July 23.25-23.30.

‡Wheat—May 395¼-395 (391¼), July 404¾-405 (399¾), Sept. 413-413¾, Dec. 426¾-427, March 450, May 456½.

WINNIPEG, April 24.

§Barley—May 111.10 (112.20), July 113.80 (114.80), Oct. 112.20, Dec. 112.60, March 112.60.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 210.68 (208.48).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ‡ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ¶ Cents per dozen.

INDICES

FINANCIAL TIMES

Apr. 24	Apr. 23	M'nth ago	Year ago
280.50	278.74	287.37	273.39

(Base: July 1, 1952=100)

DOW JONES

Dow Jones	April 24	April 23	Month ago	Year ago
Spot	416.50	416.45	406.55	387.68
F'tur's	428.18	424.47	426.98	389.32

(Average 1924-25-26=100)

MOODY'S

Apr. 24	Apr. 23	M'nth ago	Year ago
1126.5	1116.5	1119.6	1050.3

(December 31, 1931=100)

REUTERS

Apr. 25	Apr. 24	M'nth ago	Year ago
1711.0	1686.9	1708.3	1560.9

(Base: September 18, 1931=100)

SUGAR

LONDON DAILY PRICE (raw sugar): £244.00 (£240.00) a tonne cif for April-May-June shipment. White sugar daily price was £251.00 (£246.00).

News of the American attempt at a military solution to the Iran crisis provoked keen shortcovering and first quotations were some £5 above the levels. Further gains of around £4.00 were recorded, but New York again failed to match up and prices fell back to the opening levels, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
May	255.00-56.00	251.00-51.50	261.50-254.00
Aug	268.00-69.00	262.60-63.00	274.50-258.50
Oct	277.50-77.75	271.50-71.75	278.50-268.50

NUMBER 4 CONTRACT—Close (in order buyer, seller only) May 255.00 seller; Aug. 259.00, 271.00; Oct. 278.50, 280.25; Jan. 281.50, 284.00; March 291.00, 292.00; May 292.00, 294.00; July 293.00, 298.00. Sales: 398 (295).

Tate and Lyle ex-refinery price for granulated basis white sugar was £321.7 (same) a tonne for home trade and £326.50 (£323.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for April 24: Daily price 22.55 (22.75); 15-day average 21.18 (20.89).

COTTON

LIVERPOOL—No spot or shipment sales were recorded, leaving the total for the week at 213 tonnes, the smallest so far this year, and comparing with 774 tonnes sold in the previous week. Buyers were reluctant to anticipate requirements and business remained at a low ebb. Only occasional interest was shown in specialist qualities grown in Africa and North America.

APPOINTMENTS

Changes at Gold Fields Group

Mr. Robin Plumbridge is to joint the Board of CONSOLIDATED GOLD FIELDS on May 1. **Mr. A. Louw**, chairman and chief executive officer of Gold Fields of South Africa since 1966, will reach retirement age next November and will relinquish his executive responsibilities on November 30. Mr. Plumbridge is to succeed Mr. Louw from December 1. Mr. Louw will continue as a non-executive director of GFSA and CGF following his retirement.

★

Mr. F. Gerald Woodhead has been appointed director of finance for the Europe, Africa, Mid-East operations of INTERNATIONAL HARVESTER'S truck group and additionally for the IH subsidiary of Seddon Atkinson. He will be based at the Oldham headquarters of Seddon Atkinson.

★

Mr. R. N. Cook has been appointed managing director of GEA AIREXCHANGERS with overall responsibility for the UK. **Mr. C. W Johnson** has becom director of sales and engineering, while **Mr. J. R Davidson** has been made director of manufacturing at the GEA factory at Balloo Industrial Estate, Bangor, Co. Down.

★

Mr. A. H. Doggart has been appointed an executive director of SAVE AND PROSPER GROUP from May 5.

★

Mr. James Hancock has been appointed managing director of THOS. W. WARD (RAILWAY ENGINEERS).

★

Mr. G. R. Gardiner has been appointed deputy managing director of GOODLASS WALL AND CO. **Mr. Bill Wiggins** has become export manager.

★

Sir Derek Ezra, chairman of of the National Coal Board, and **Sir David Steel**, chairman of British Petroleum, have been appointed by the International Energy Agency to its newly established COAL INDUSTRY ADVISORY BOARD for a three-year term.

★

M...r. A. B. Andrews and **Mr. D. McKechnie** have been appointed directors of GRATTAN WAREHOUSES, responsible for merchandise and for sales administration, respectively. **Mr. D. F. Cunningham** becomes a non-executive director. **Mr. E. M. Watson**, finance director, has resigned and a new finance director will be appointed from outside the company. **Mr. K. M. Gray**, company secretary and administration director, has resigned and **Mr. A. Malcolm** has been made company secretary. An additional non-executive director is to be appointed.

★

Mr. Roger J. L. Turner has been appointed financial controller of WILSON WALTON INTERNATIONAL.

★

Mr. C. P. D. Davidson has been appointed a non-executive and **Mr. R. P. R. Iliffe** has become deputy chairman. Mr. Davidson is at present an executive director of Lucas Industries.

★

Mr. Alan Pimblett has been appointed to the Board of FIBREGLASS, part of the Pilkington Group. He is at present marketing manager for the insulation division of Fibreglass.

★

Mr. A. G. Thomas, a director of GREENALL WHITLEY AND CO., has been appointed deputy chairman.

★

Mr. Graeme Chalk has been appointed to the Board of the ENGLISH ELECTRIC VALVE COMPANY as technical director.

★

Mr. F. L. Gladwin has been appointed chairman of INTERTHERM. **Mr. J. Howland** has been appointed a director and his title becomes director and general manager.

★

Mr. R. C. F. Lloyd, chairman of the caravan division of Cosalt, has been elected a chairman of the NATIONAL CARAVAN COUNCIL for 1979-80. **Mr. L. E. Lee-Davey**, chairman of the Lee Davey Group, becomes vice-chairman of the Council.

★

Mr. Alan Ramsden has been appointed director of personnel at the BRITISH NATIONAL OIL CORPORATION.

★

Mr. G. B. Whitehead has been appointed executive chairman of FERRYMASTERS, the P&O European Transport Services company.

★

Mr. Richard Savinson has been appointed secretary of the ELECTRICITY COUNCIL in succession to the late Mr. B. C. O. Murphy.

★

Mr. John Barber, a former finance director of Ford and of BL, has been elected a non-executive director of the AMALGAMATED METAL CORPORATION.

★

Mr. Clive May has been appointed to the corporate finance department of THORN EMI in the newly created position of controller music, entertainment and leisure. His duties will be complementary to those of **Mr. David Purse**, controller of the other Thorn EMI operating divisions, including the electronics operations of EMI. Mr. May joined EMI in 1965.

★

Mr. Peter J. Harper has been appointed to the Board of JOHN LAING as managing director of the group's products and trading from July 1. Mr. Harper joins Laing from Hanson Trust, where he was joint chief executive of the Trust's UK activities.

★

Sir Barrie Heath, former chairman of GKN, has joined the main Board of TUNNEL HOLDINGS as a non-executive director on the retirement of **Sir Edward Playfair**. **Mr. L. V. Hewitt**, also a main Board director, becomes managing director of Tunnel Cement. **Dr. Neil H. Hampson**, previously marketing director for ICI Polyurethanes in Europe, has been made managing director of Stablex International Holdings, which is responsible for Tunnel's waste management operations.

★

Sir Peter Mursell has been appointed a non-executive director of LONDON SHOP PROPERTY TRUST.

★

Sir Gordon Wolstenholme (formerly director of the Ciba Foundation) has been appointed a director and chief scientific adviser of INFORMATION RETRIEVAL, biomedical database publisher. **Elaine M. Coast**, managing editor of Information Retrieval has joined the Board of that company.

★

Mr. Percy Glazer has been appointed chairman of LEWIS AND PEAT (RUBBER) and STRAUSS (RUBBER) from May 1.

★

Mr. B. D. Watson has been appointed managing director of MIM HOLDINGS from May 5. **Mr. T. White**, deputy general manager of Mount Isa Operations, will become general manager on that date in place of **Mr. J. Middlin**, a director, who will transfer to Brisbane.

★

Mr. Jim Stagg has been appointed director and chief executive of C. R. INDUSTRIAL PRODUCTS, a subsidiary of Chicago Rawhide Inc.

SPAIN

April 25	Price %	+or−
Banco Bilbao	210	−1
Banco Central	225	−2
Banco Exterior	306	
Banco Hispano	205	
Banco Ind. Cat.	125	
Banco Madrid	146	
Banco Santander	248	−1
Banco Urquijo	141	−2
Banco Vizcaya	216	−1
Banco Zaragoza	200	
Dragados	93	−3
Espanola Zinc	60	
Fecsa	58.7	+0.2
Gal. Preciados	27	
Hidrola	63.7	
Iberduero	58.2	−0.8
Petroleos	104	
Petroliber	59	
Sogefisa	107	
Telefonica	54	
Union Elect.	63.2	

EUROPEAN OPTIONS EXCHANGE

Series		July Vol.	July Last	Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	Stock
ABN C	F.300	18	4.80	3	7.50	—	—	F.294
ABN C	F.310	5	2.70	—	—	—	—	"
AKZ C	F.22.50	10	1.80	—	—	—	—	F.22.80
AKZ C	F.25	41	0.70	103	1.10	23	1.60	"
AKZ C	F.27.50	10	0.20	1	0.80	—	—	"
AKZ C	F.30	6	0.10	—	—	—	—	"
AKZ P	F.22.50	1	1.40	—	—	—	—	"
AKZ P	F.25	110	3.50	10	3.80	—	—	"
AKZ P	F27.50	—	—	1	5.30	—	—	"
ARB C	F.68	30	2.20	—	—	—	—	F.62.50
ARB C	F.70	3	0.70	—	—	—	—	"
FNC C	$20	—	—	1	2½	—	—	$19¼
HEI C	F.60	9	3.50	—	—	—	—	F.59
HEI C	F.65	1	2.50	2	4	—	—	"
HEI C	F.70	8	1.40	—	—	—	—	"
HEN P	F.56	1	1.50	—	—	—	—	"
HO C	F.17.50	—	—	19	3	—	—	F.17.80
HO C	F.20	3	0.70	—	—	20	2.80	"
IBM C	$55	—	—	—	—	1	5¾	$53⅝
IBM C	$60	—	—	1	3	—	—	"
KLM C	F.60	34	3.50	—	—	—	—	F.59
KLM C	F.70	166	1.20	27	2.50	—	—	"
KLM C	F.80	62	0.50	39	1.10	—	—	"
KLM P	F.60	27	4.80	11	6.50	—	—	"
KLM P	F.70	42	11.20	—	—	—	—	"
KLM P	F.80	30	20.20	—	—	—	—	"
NN C	F.110	6	7.30	1	8.80	—	—	F.115
NN C	F.115	23	3.60	—	—	—	—	"
NN C	F.120	35	1	—	—	—	—	"
PET C	Fr.5000	2	370	—	—	—	—	Fr.5050
PET C	F.6000	1	60	—	—	—	—	"
PHI C	F.17.50	—	—	10	2.10	8	2.40	F.18.70
PHI C	F.20	4	0.50	15	0.90	20	1.40	"
PHI C	F.22.50	70	0.20	—	—	—	—	"
PSA C	F.240	3	6	—	—	—	—	F.212.50
PU C	F.240	—	—	—	—	10	28	F.225
RD C	F.145	60	7	10	10	—	—	F.149.30
RD C	F.150	324	4.80	24	7.20	—	—	"
RD C	F.160	546	2.20	229	4	12	7.20	"
RD P	F.170	481	1	273	2.10	—	—	"
RD P	F.140	94	3	114	6.20	—	—	"
RD P	F.145	123	6	16	9	—	—	"
RD P	F.150	29	9	25	13.80	—	—	"
RD P	F.160	5	17.50	—	—	—	—	"
RD P	F.170	17	26	7	26.50	—	—	"
T C	$50	—	—	10	3¼	—	—	$51⅞
UNI C	F.115	20	2	—	—	—	—	F.112.20
UNI C	F.120	—	—	4	2	—	—	"
UNI P	F.105	5	3	—	—	—	—	"
UNI P	F.110	31	7.30	—	—	—	—	"
		May		Aug.		Nov.		
BA C	$40	—	—	2	3½	—	—	$36¾
OXY C	$30	—	—	3	⅞	—	—	$23¾
SLB C	$100	56	6⅝	—	—	—	—	$103
SLB C	$110	51	1½	5	6	2	10	"
		June		Sept.		Dec.		
S C	$16	—	—	1	2⅝	—	—	$16

TOTAL VOLUME IN CONTRACTS 1674

C=Call P=Put

Stock Exchange dealings

Thursday, April 24	17,701
Wednesday, April 23	17,038
Tuesday, April 22	16,748
Monday, April 21	18,378
Friday, April 18	16,505
Thursday, April 17	16,950

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Wednesday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous three business days, these are distinguished by the dates shown in parentheses.

The number of dealings marked on Wednesday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessary in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ● Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

Last Thursday's Stock Exchange Daily Official List was not available, and the markings details in this week's Stock Exchange dealings have, therefore, been extracted from the Official List for Wednesday, April 23.

BRITISH FUNDS (482)

CORPORATIONS (14)

PUBLIC BOARDS (10)

COMMONWLTH. GOVTS. (8)

FOREIGN STOCKS, BONDS

BANKS (136)

BREWERIES (75)

COMMERCIAL (1,749)

A—B

C—D

Cadbury Schweppes (25p) 64 3 5½ 4½ 3½. ...pc1stPf. 35½. 9pcLn. 69 (22/4)
...lyns (50p) 154 3½ 5 (21/4)
...rd (Dundee) (25p) 14 (22/4)
...ebread Robey A (10p) 32½ (21/4)
...nford Engineering (25p) 64¼ 5
...npari Intnl. (20p) 54 1 (22/4)
...nrex (Holdings) (20p) 35
...ning (W.) (25p) 47 (18/4)

Energy Services Electronics (10p) 23 (18/4)
England (J. E.) Sons (Wellington) (5p) 19●
English Overseas Inv. (10p) 16½ 76 (18/4)
English China Clays (25p) 90½● 89½● 91½● 89½ 90
English Electric 5½pcDb. 1979-84 79¼. 6pcDeb 79½ (21/4)
Epicure Hldgs. (5p) 17½ (18/4)
Esperanza 0(12½p) 113 (22/4)
Eucalyptus Pulp Mills (25p) 97 (21/4)
European Ferries (25p) 108½● 7½ 7 8
Eurotherm Intnl. (10p) 314● 16● 12½
Eva Inds. (25p) 52 (18/4)
Evered Hldgs. (25p) 21 (21/4)
Evode Hldgs. (20p) 45
Ewer (George) (10p) 49 (18/4)
Expanded Metal (25p) 56● 7

E—F

FMC (25p) 78 (18/4)
Fairclough Construction (25p) 66●
Fairview Ests. (10p) 257
Farnell Electronics (20p) 300● 1● 298
Fashion General Inv. (5p) 180 (21/4)
Federated Land Building (25p) 63
Fenner (J. H.) (Hldgs.) (25p) 121½ 2 (21/4)

G—H

I—J—K

L—M

N—O—P—Q—R—S

T—U—V

W—Y—Z

ELECTRIC LIGHTING AND POWER

FINANCIAL TRUSTS (36)

Scott Robertson (25p) 39
Scottish Agricultural Indust. 177 (18/4)
Scottish English European Textiles (20p) 51 (22/4)
Scottish Television A N.V. (10p) 79●
Sears Engineering 8¼pcDb. 65½ (21/4)
Sears Hldgs. (25p) 37½● 7● 8● ½. 7pc APf. 48½ (18/4)
Securicor Grp. (25p) 105 (18/4). A (N.V.) (25p) 102 (18/4)
Security Centres Hldgs. (10p) 28 (21/4)
Security Services (25p) 105. A (N.V.) (25p) 102
Selincourt (5p) 16¼● ¾. 9¼pcLn. 63 (18/4)
Senior Engineering Grp. (10p) 21¾ (21/4)
Serck (25p) 52 1½
Sharpe and Fisher (25p) 38 (22/4)
Shaw Carpets (10p) 23½ (18/4). 10pc2nd Pf. 82 (18/4)
Sheffield Brick Grp. (25p) 37 (18/4)
Sherman (Samuel) (10p) 8 (21/4)
Sidlaw Industries (50p) 107 (21/4)
Siebe Gorman Hldgs. (25p) 173 (18/4)
Silentnight Hldgs. (10p) 40●

Gresham Inv. Tst. (25p) 69 (22/4)
Hampton Tst. (5p) 22 1½ (22/4)
Inchcape 360. 8pcLn. 64¹³⁄₁₆ ⁹⁄₁₆ (21/4) (12½pcLn. 85 (21/4)
Ind. & Comm. Finance Corp. 5½pcDb 83¼●. 6¼pcDb. 72¼●. 7¼pcDb A 1989-92 60
Kwahu (10p) 20 (18/4)
Lloyds and Scottish (20p) 139
Manson Finance Tst. (20p) 35●
Martin (R. P.) (5p) 35 (18/4)
Mercantile House Hldgs. (25p) 172●
Mills & Allen Interni. (50p) 275 (22/4) Cum.Red.1stPf. 1984 (50p) 82 (22/4)
Parambe (10p) 13 (21/4)
Provident Financial Gp. (25p) 103● 5●
Sime Darby Berhad ($M0.50) 62 (22/4)
Stock Exchange £4.25 Red. Ans. (Reg. 52 4 (21/4)
United Dominions Tst. (25p) 56 5 4½ 4 16pcLn. 155 (22/4)
Wagon Finance Corp. (25p) 39½ (15/11)
Yorkgreen Invests. (10p) 10 (18/4)
Yule Catto (10p) 112 (22/4)

BASE LENDING RATES

A.B.N. Bank	17 %	■ Hambros Bank	17 %
Allied Irish Bank	17 %	Hill Samuel	§17 %
Amro Bank	17 %	C. Hoare & Co.	†17 %
American Express Bk.	17 %	Hongkong & Shanghai	17 %
Henry Ansbacher	17 %	Industrial Bk. of Scot.	17½%
A P Bank Ltd.	17 %	Keyser Ullmann	17 %
■ Arbuthnot Latham	17 %	Knowsley & Co. Ltd.	19 %
Associates Cap. Corp.	17 %	Langris Trust Ltd.	17 %
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	Edward Manson & Co.	18 %
Bank of Cyprus	17 %	Midland Bank	17 %
Bank of N.S.W.	17 %	■ Samuel Montagu	17 %
Banque Belge Ltd.	17 %	■ Morgan Grenfell	17 %
Banque du Rhone et de la Tamise S.A.	17½%	National Westminster	17 %
Barclays Bank	17 %	Norwich General Trust	17 %
Bremar Holdings Ltd.	18 %	P. S. Refson & Co.	17 %
Brit. Bank of Mid. East	17 %	Rossminster	17 %
■ Brown Shipley	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Canada Perm't Trust	18 %	Schlesinger Limited	17 %
Cayzer Ltd.	17 %	E. S. Schwab	17 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	18 %
■ Charterhouse Japhet	17 %	Standard Chartered	17 %
Choulartons	17 %	Trade Dev. Bank	17 %
C. E. Coates	17 %	Trustee Savings Bank	17 %
Consolidated Credits	17 %	Twentieth Century Bk.	17 %
Co-operative Bank	*17 %	United Bank of Kuwait	17 %
Corinthian Secs.	17 %	Whiteaway Laidlaw	17½%
The Cyprus Popular Bk.	17 %	Williams & Glyn's	17 %
Duncan Lawrie	17 %	Wintrust Secs Ltd.	17 %
Eagil Trust	17 %	Yorkshire Bank	17 %
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	19½%		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	17 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		
■ Guinness Mahon	17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%. 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
LASMO	25p	12	550	+ 8	550	337
Burmah Oil	£1	9	198	− 6	249	162
Shell Transport	25p	9	332	− 6	410	314
Cons. Gold Fields	25p	8	488	+14	533	385
GEC	25p	8	363	−10	388	326
RTZ	25p	8	370	+13	485	327
Tricentrol	25p	8	326	+12	334	250
BP	25p	7	322	− 4	412	320
Ultramar	25p	7	600	+ 6	616	412
BAT Inds.	25p	6	223	− 7	271	223
ICI	£1	6	354	− 8	402	353
Lee Cooper	25p	6	255	−11	300	215
P. & O. Defd.	£1	6	114	− 6	123½	105
Premier Cons.	5p	6	72	− 2	87	39½
Unitech "New"	Nil/pd.	6	120pm	− 3	126pm	116pm

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1980 high	1980 low
LASMO	25p	49	550	+42	550	337
BP	25p	47	322	−20	412	320
Shell Transport	25p	40	332	−20	410	314
Ultramar	25p	40	600	+10	616	412
BAT Inds.	25p	35	223	−15	271	223
Tricentrol	25p	35	326	+12	334	250
ICI	£1	34	354	−18	402	353
GEC	25p	44	363	−16	388	326
Premier Cons.	5p	32	72	− 1	87	39½
Cons. Gold Fields	25p	30	488	+16	533	385
Burmah Oil	£1	29	198	−19	249	162
Imp. Cont. Gas	£1	27	748	− 6	778	593
Rugby P. Cement "New"	Nil†pd.	27	14pm	+ 1†	15pm	13pm
Unilever	25p	27	415	− 5	480	388
Barclays Bank	£1	26	420	+ 5	452	392

† Based on Monday's opening price.

GAS (14)

Imperial Continental Gas Assn. 8pcLn. 99® 8½

INSURANCE (127)

Bowring (C.T.) (25p) 152® 50® 40 2 ½ 3. 10pcLn. 212
Brentnall Beard (Hldgs.) (10p) 10 (18/4)
Britannic Assurance (5p) 186® 6
Commercial Union Assurance (25p) 134® 29® 30 1 29 32
Eagle Star Hldgs. (25p) 182® 80® 79 80 2 1
Equity Law Life Assce. So. (5p) 223®
General Accident Fire Life Assce. Corp. (25p) 239® 8 40. 7¼pcLn. 60 (22/4)
Guardian Royal Exchange Assce. (25p) 238. 7pcPf. 57½. 7pcLn. (86-91) 59 ½ (22/4)
Hambro Life Assce. (5p) 185® 7®
Heath (C. E.) (20p) 205 13 9
Hogg Robinson Gp. (25p) 108 (22/4)
Howden (Alexander) Gp. (10p) 102® 1
Legal General Gp. (25p) 164® 30 4 3 5
London Manchester Assce. (5p) 166
London United Invests. (20p) 145®
Minet Hldgs. (20p) 95® 40 8 104½ ½
Moran (Christopher) Gp. (20p) 28 (18/4)
Pearl Assce. (5p) 324® 6
Phoenix Assce. (25p) 218
Prudential Corpn. (25p) 188® 5
Refuge Assce. (5p) 154 (22/4)
Royal Insurance (25p) 316® 20 18
Sedgwick Gp. (10p) 101® 30 2 5
Stewart Wrightson Hldgs. (20p) 207½ 5 (21/4)
Sun Alliance London Insurance 572® 70® 4 80 77. 6½Ln. 70 (21/4)
Sun Life Assce. (5p) 161
Willis Faber (25p) 236® 8 7

INVESTMENTS TRUSTS (165)

Aberdeen Investments (25p) 88 (18/4)
Aberdeen Trust (25p) 91® 2½
Acorn Securities (1p) 97
Ailsa Investment Trust (25p) 143 (22/4)
Alliance Trust (25p) 190® 5
Altifund Cap. (50p) 188 (21/4)
Ambrose Investment Trust Income (25p) 60®. Cap. (25p)
American Trust (25p) 46®. 8 (25p) 45½ (21/4)
Anglo American Securities Corp. (25p) 90® 89 ¼ 90½. 4pcDb. 66
Anglo-International Invest. Trust (25p) 42½®
Anglo-Scottish Investment Trust (25p) 45½® 70
Ashdown Investment Trust (25p) 129 (21/4)
Atlantic Assets Trust (25p) 160 (18/4)
Atlas Electrical and General Trust (25p) 62® 1½®
Bankers' Invest. Trust (25p) 57½
Berry Trust (25p) 87 (21/4)
Bishopsgate Trust (25p) 189½® 90®
Border and Southern Stockholders Trust (10p) 59½®
British American and General Trust (25p) 40½®-39½®
British Assets Trust (25p) 74® 3½® 5. 5pcLn. 132½
British Empire Securities and Gen. Trust (5p) 12¼ (22/4)
British Indust. and Gen. Inv. Trust 6½pcLn. 92 (21/4)
British Investment Trust (25p) 134 3 (22/4). 4pcDb. 70½
Broadstone Invest. Trust (20p) 139®
Brunner Investment Trust (25p) 51½ (18/4)
C.L.R.P. Investment Trust Warrants 19 (21/4)
Cambrian and General Securities (25p) 95® 1®
Canadian and Foreign Invest. Trust (25p) 99 (22/4)
Cardinal Invest. Trust Dfd. (25p) 97
Carliol Investment Trust (25p) 141
Cedar Investment Trust (25p) 69 8½

London and Lomond Invest. Trust (25p) 74 (22/4)
London and Provincial Trust (25p) 102®
London and Strathclyde Trust (25p) 50½ (18/4)
London Invest. Trust (5p) 16 1/16 (18/4)
London Merchant Securities (25p) 114. Dfd. Ord. (25p) 84 2 (21/4)
London Trust Co. Dfd. (25p) 135
Lowland Invest. Co. (25p) 57 6¾ (22/4)
M and G Dual Trust (10p) 188 (21/4)
Mercantile Invest. Trust (25p) 43½® ½ ¼ 4½
Merchants Trust (25p) 70 69½. 4pcLn. 90-95 92½®
Midland Trust (25p) 94 (18/4)
Monks Invest. Trust (25p) 50 49
Montagu Boston Invest. Trust (10p) 43
Murray Caledonian Invest. Trust B Ord. (25p) 43½ (21/4)
Murray Clydesdale Invest. Trust (25p) 41½ (21/4)
Murray Minor Invest. Trust (25p) 71 (18/4)
Murray Northern Invest. Trust B Ord. (25p) 48 (22/4)
Murray Western Invest. Trust (25p) 54½® 6
New Throgmorton Trust (25p) 17®. Cap. Ln. 150®
Nineteen Twenty-Eight Invest. Trust (25p) 64½ (22/4)
North Atlantic Securities Corp. (25p) 83 (21/4). 7½pcLn. 91 (22/4)
Northern American Trust Co. (25p) 88½ (21/4)
Oil and Associated Invest. Trust (25p) 76½®
Raeburn Inv. Tst. (25p) 112 (22/4)
Rights and Issues Inv. Tst. Income (25p) 35®. 7½pcPf. 52®
River and Mercantile Tst. (25p) 196® 7®
Robeco (Br.) (Fl 50) £34⅞ (22/4). Sub. Shs. (In name of Nat. Prov. Bank) (Fl 5) 353
Rolinco Sub. Shs. (In name of Nat. Prov. Bank) (Fl 5) 297®
Romney Tst. (25p) 83½ (18/4)
Rothschild Inv. Tst. (50p) 305 6 8. 3.5pc Cnv.Cum.Red.Pf. (50p) 47½ (18/4)
St. Andrew Tst. (25p) 110 8½ (22/4)
Save and Prosper Linked Inv. Tst. Income (10p) 174 (21/4). Capital (10p) 52®
Scottish American Inv. (50p) 96½ (22/4). 3½pcDb. 23½ (18/4)
Scottish Cities Inv. Tst. A (25p) 218 1
Scottish Eastern Inv. Tst. (25p) 60 (22/4)
Scottish European Inv. (25p) 35®
Scottish Inv. Tst. (25p) 94½
Scottish National Tst. (25p) 146
Scottish Northern Inv. Tst. (25p) 79® 80
Scottish Ontario Inv. (25p) 57½ (21/4)
Scottish United Investors (25p) 61® 1
Second Alliance Tst. (25p) 167® 70
Securities Trust of Scotland (25p) 84½ (18/4)
Shires Investment (50p) 123½ (21/4)
Sizewell European Inv. Tst. (10p) 71 (21/4)
Sphere Inv. Tst. (25p) 112®
Sterling Tst. (25p) 164® 3
Stockholders Inv. Tst. (25p) 92®
Technology Inv. Tst. (25p) 98½ (21/4)
Temple Bar Inv. Tst. (25p) 101½ 100½. 6pcLn. 81½ (22/4)
Throgmorton Tst. (25p) 88 7½. 7¼pc 1stPf. 50¾ 1 (21/4)
Trans-Oceanic Tst. (25p) 159 (21/4)
Tribune Inv. Tst. (25p) 69
Triplevest Inc. (50p) 64®. Cap. 171½
Trust Union (25p) 56½
Trustees Corp. (25p) 55½
United British Secs. Tst. (25p) 118®
United States Deb. Corp. (25p) 84. 5pc Ln. 83 2 (22/4)
Viking Resources Tst. (25p) 178® 8
West Coast Texas Reg. Inv. Tst. (10p) 64
Witan Inv. (25p) 88
Yeoman Inv. Tst. (25p) 195®
Yorkshire Lancashire Inv. Tst. (25p) 26
Young Companies Inv. Tst. 100®

UNIT TRUSTS (11)

South African (40)

Anglo American Corp. (R0.10) 545 (21/4)
Anglo American Gold Inv. p3365 (21/4)
Anglo-Transvaal Con. Inv. A Ord (R0.50) 15.05 (21/4)

APRIL 22

Allield International Designers 36
Applied Computer Techniques 320
Ascot TV Rentals 12¼ ¾
Aston Villa FC £12
Bio-Kil Chemicals 98 100
Burroughs (James) 112

Edinburgh Secs. 191 3 4 87
Edinburgh Secs. New 191 2
Flight Spares 88 90 2
Gibbs Mew 162 3
Grampian Television 25
GRA Property Tst. 16¼ ½ ¾
Grendon Tst. 11pcSub.Ln. 1976-78 187 93
Hemerdon Mining and Smelting 160 70
Jersey Canning 4pcPf. 26
Kellock 120
Kellock Cnv. (1st Series) 113
Kellock Cnv. (2nd Series) 120
Kenmare Oil Exploration New 30
London and Continental Advertising (8p) 19 20

Maddock 9
Mainline Elecs. 3½
Morley (R. H.) 98
New Court Natural Resources 39
North Sea Assets 88
Norton Villiers Triumph 3
Quest Automation 110 5
Rangers FC £15
United Friendly Insurance B 105
Urogate Inv. 152
Webber Electro Components 62
Wessex Water Authority 5pc 1982-87 £45
Wessex Water Authority 5¼pc 1982-87 £50

APRIL 18

Allied International Designers 34
Applied Computer Techniques 313
Aston Villa FC (1 Vote) £12
Baker (John) (Insulation) Pfd. 178
Baker (John) (Insulation) New 172
Bio-Kil Chemicals 98 101
Booth (Alfred) 275
CIC Investment 1⅛
Caledonian Offshore 160 75 80 95 200 5 10 15 25
Caledonian Offshore (80 Paid) 100
Cambridge Petroleum Royalties 273 4 8 80
Carlton Real Estates 19½
Celtic Basin Oil Exploration 230
Channel Hotels and Props. 16
Clyde Petroleum 395 8 400 2 3
Deltenne 12½ 13
Dollar Land 20
Edinburgh Secs. 191 3 4 89
Edinburgh Secs. New 184 93 92 90½ 90
Eldridge Pope A 310
GRA Prop. Tst. 16 ¼ ½ 17
Hartley Baird 3
Hemerdon Mining 185 6
Island Garages 24
Jersey New Waterworks 9½pcMtg.Deb. 1982-84 £75
Jersey New Waterworks 12½pcDeb. 1985-1987 £85
Jersey (States of) 5pc House Construction 1975-95 £55
Jersey (States of) 6½pc Housing Ln. 1981-86 £70
Kellock 117
Kellock Cnv. (2nd Series) 116 17
Kenmare Oil Exploration 62
LET 125
Lanca 40
Lontrim 30
Maddock 8
Manchester Utd. FC 215
NMW Computers 3½
Nationwide Leisure 6½ 7 ½
Nationwide Leisure 8.75pcPf. 6
New Court Natural Resources 34 5 7 8
Norton Villiers Triumph 3¼ ½
Oldham Estates 102
Rangers FC £14 15
Sefton Hotel 240
Sefton Hotel 7pcPf. 55
Urogate Inv. 148
Webber Electro Components 62 ½ 3 4 5
Weetabix A Non-Vtg. 85

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

APRIL 24

Aran Energy 328 34
Aran Energy New Shs. £1 332 4
Berkeley Exploration and Production 128 30 1½ 5 8
Candecca Resources 89 90 1 2 3
Cluff Oil 350 5
Gas and Oil Acreage 390 2 7
Siebens Oil and Gas (UK) 680 5 90 5 700 5
Viking Oil £11.40 60

APRIL 23

Aran Energy 335‡ 55‡ 7‡
Aran Energy 332 7 8 40 75‡
Aran Energy New (Fully Paid) 336
Berkeley Expl. (50 Paid) 124 5 8
Candecca Resources 86
CCP North Sea Assoc. 255
Cluff Oil 345
Gas and Oil Acreage 385 94 7
Siebens (UK) 660 5 75 80
Viking Oil £11.50 60 75

APRIL 22

Aran Energy 324 5 6 8
Aran Energy New (Fully Paid) 324 6 7 30
Berkeley Expl. (50p Paid) 125 8 9
Candecca Resources 87 ½ ¾
CCP North Sea Assoc. 252 3 5 8
Cluff Oil 340 5 50 5
Siebens (UK) 650 5 60
Viking Oil £11.10 15 30

APRIL 21

Aran Energy 326 36 8 42 4 6 50 2 4
Aran Energy New (Fully Paid) 326 32 4 6 8 44 8 9
Berkeley Expl. (50p Paid) 123 5 6 7 8 30
Candecca Resources 88 9
CCP North Aea Assoc. 253
Cluff Oil 350
Ga and Oil Acreage 380
Siebens (UK) 640 5 50 5 60 80
Viking Oil £10.75 90 11.00 10 15 20 25 30

APRIL 18

Aran Energy 324 6 8 30 2 8 40
Aran Energy New (Fully Paid) 320 2 34 6 40 2
Berkeley Expl. (50p Paid) 122 3 5 7
Candecca Resources 87 8
Cluff Oil 338 40 5 50
Siebens (UK) 640 5 50 5
Viking Oil £10.25 35 50 5 65

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051 548 6555)	15½	½-year	1,000	1
Redbridge (01-478 3020)	14¾	½-year	200	2-3
Redbridge (01-478 3020)	14⅜	½-year	200	5-6

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Anglia Hastings and Thanet	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bradford and Bingley	10.25	10.50	11.75	11.25 one month's notice deposit
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 11.25 3 months' notice
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	10.50	11.50	12.50	—
Catholic	10.05	10.75	11.65	— 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 yrs., 12.00 3 yrs., 11.55 6 mths.
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 or £20,000)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.85 3 yrs.
City of London (The)	10.50	10.80	11.80	12.00 Capital City shares—4 mths. not.
Coventry Economic	10.25	10.50	12.50	12.00 4 yrs., 11.75 3 yrs., 11.25 2 yrs.
Coventry Provident	10.25	10.50	12.50	12.55 a.v. 5 yrs, 12.00 4 yrs, 11.25 3 m.n.
Derbyshire	10.25	10.50	11.75	11.10 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	—	10.75	12.00	12.75 5 yrs., 12.25 4 yrs., 11.75 3 yrs.
Guardian	10.25	10.75	—	11.75 3 months, £1,000 minimum
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 years, 11.00 3 months' notice
Hearts of Oak and Enfield	10.25	10.75	12.25	12.00 4 yrs., 11.75 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.00	12.50 5 yrs., withdrawals aft. 18 mths.
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
London Goldhawk	10.25	10.75	12.00	11.75 3 yrs., 11.50 2 yrs., 11.25 1 yr.
Melton Mowbray	10.35	10.60	11.75	12.10 4 yrs., 11.35 2 yrs.
Mornington	10.75	11.25	—	—
National Counties	10.50	10.80	11.80	11.90 6 mth., 11.35 3 mth., min. £1,000
Nationwide	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
New Cross	11.00	11.25	—	—
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 months, 11.50 3 months
Peckham Mutual	10.50	11.25	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Principality	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Property Owners	10.25	11.00	12.25	11.55 3 months
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Sussex County	10.50	10.75	12.55	12.55 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	12.50	11.25-13.10 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.60	11.70	12.60 5 yrs., 11.6 6 mth. not. min. £500
Wessex	10.50	11.20	—	12.20 6 mths. not. WDL min. 3 yrs.
Woolwich	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.

* Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

UK MONEY MARKET

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

The Treasury bill rate fell by 0.0547 per cent at yesterday's tender to 16.0629 per cent, and the minimum accepted bid rose to £95.98½ from £95.98 the previous week. Bids at that level were met as to about 69 per cent and above in full. The £300m bills on offer attracted bids of £683m, and all bills offered were allotted. Next week a further £300m will be on offer, replacing a similar amount of maturities.

Day to day credit continued to be in very short supply in the London money market, and the authorities gave assistance on an exceptionally large scale. This comprised moderate purchases of Treasury bills both from banks and discount houses, and a small number of corporation bills direct from discount houses. The help was made up with an exceptionally large amount lent to 10 or 11 houses at MLR for repayment on Monday.

In the interbank market, week-end money opened at 17¼-17½ per cent and touched 17¾-18 per cent before closing at 17¼-17½ per cent.

EXCHANGES AND BULLION

The dollar reacted predictably to news that an attempt to rescue the U.S. hostages in Iran had failed. It was marked down in early trading in London and may have received some central bank support during the day. Conditions were extremely nervous and confused, with Euro-dollar interest rates fluctuating sharply, and currencies quoted on a 50- or 100-point spread, instead of the usual 10-point spread. By the end of the day the dollar was weaker against most currencies but finished in the middle of the day's range.

Sterling rose to its best level since July last year, and this was reflected in its trade weighted index, which finished at 73.8 compared with 73.5 on Thursday. At noon it touched 74.1, its best level since August 1975, after an opening calculation of 73.8. Against the dollar sterling opened at $2.2730-2.2750 and dipped briefly to $2.2670-2.2690 before coming back to $2.2850 by noon. The dollar tended to ease further during the afternoon and the pound touched a high of $2.2900-2.2950 before closing at $2.2755-2.2765, a rise of 1.05c.

Gold rose $28 an ounce to close at $548-563.

THE POUND SPOT AND FORWARD

April 25	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2670-2.2950	2.2755-2.2765	0.18-0.08c pm	0.68	0.45-0.35 pm	0.70
Canada	2.6740-2.7050	2.6910-2.6920	0.33-0.23c pm	1.25	1.03-0.93 pm	1.46
Nethlnd.	4.54-4.59	4.55-4.56	3⅛-2⅛c pm	7.57	8½-7½ pm	6.69
Belgium	65.90-66.50	66.10-66.20	2c pm-8 dis	−0.54	4 pm-6 dis	−0.06
Denmark	12.90-13.02	12.92½-12.93½	2¼-3⅞ore dis	−2.84	7-8½ dis	−2.40
Ireland	1.1090-1.1150	1.1135-1.1145	0.11-0.06p pm	0.91	0.40-0.35 pm	1.35
W. Ger.	4.11½-4.16	4.13-4.14	3½-2½pf pm	7.62	8½-7½ pm	7.74
Portugal	112.40-113.50	112.85-113.05	5c pm-40 dis	−1.86	15-135 dis	−2.66
Spain	159.30-161.35	160.60-160.70	34-73c dis	−4.00	120-175 dis	−3.67
Italy	1931-1942	1932-1933	3-1lire pm	1.24	2¾-¼ pm	0.36
Norway	11.31-11.37	11.31½-11.32½	4½-3¼ore pm	4.11	10¾-9¼ pm	3.53
France	9.60-9.66	9.62½-9.63½	4-3c pm	4.36	10-9 pm	3.95
Sweden	9.70-9.80	9.72½-9.73½	3½-1½ore pm	3.08	9½-7½ pm	3.39
Japan	555-563	557-558	3.00-2.55y pm	5.97	5.80-5.25 pm	3.96
Austria	29.30-29.60	29.42-29.47	19-17gro pm	7.33	56-49 pm	7.13
Switz.	3.83-3.87½	3.85½-3.86½	3⅞-2⅞c pm	10.49	10-9 pm	9.84

Belgian rate is for convertible francs. Financial franc 67.50-67.60. Six-month forward dollar 0.92-0.82c pm. 12-month 1.80-1.70c pm.

GOLD

	April 25		April 24	
Gold Bullion (fine ounce)				
Close	$548-563	(£240½-242¾)	$520-525	(£229½-231¾)
Opening	$546-551	(£240½-242¾)	$511-516	(£226¼-228½)
Morning fixing	$552	(£242¼-424)	$514.25	(£226,962)
Afternoon fixing	$551.50	(£241.568)	$515.70	(£228.065)
Gold Coins				
Krugerrand	$570-574	(£248-252)	$539-543	(£237-240½)
Mapleleaf	$550-560	(£241-246)	$515-525	(£227-232)
New Sovereigns	$139-142	(£60-63)	$135½-136	(£58-60)
King Sovs	$162-165	(£71-73)	$160-163	(£70-72)
Victoria Sovs	$162-165	(£71-73)	$160-163	(£70-72)
French 20s	$137½-142½		$135-139	
50 pesos Mexico	$682-689		$646-652	
100 Cor. Austria	$544-551		$516-521	
$20 Eagles	$650-660		$632-640	
$10 Eagles	—		—	
$5 Eagles	—		—	

EXCHANGE CROSS RATES

April 25	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.276	4.135	557.5	9.630	3.860	4.555	1933.	2.692	66.15
U.S. Dollar	0.439	1.	1.815	244.9	4.231	1.696	2.001	849.1	1.183	29.06
Deutschemark	0.242	0.550	1.	134.8	2.329	0.933	1.102	467.4	0.651	16.00
Japanese Yen 1,000	1.794	4.083	7.417	1000.	17.27	6.924	8.170	3466.	4.828	118.7
French Franc 10	1.038	2.363	4.294	578.9	10.	4.008	4.730	2007.	2.795	68.69
Swiss Franc	0.259	0.590	1.069	144.4	2.495	1.	1.180	500.6	0.697	17.14
Dutch Guilder	0.220	0.500	0.071	122.4	2.114	0.847	1.	424.3	0.591	14.52
Italian Lira, 1,000	0.517	1.178	2.140	288.5	4.983	1.997	2.357	1000.	1.393	34.25
Canadian Dollar	0.372	0.846	1.536	207.1	3.578	1.434	1.692	718.0	1.	24.58
Belgian Franc 100	1.515	3.441	6.251	842.8	14.56	5.835	6.886	2921.	4.069	100.

LONDON MONEY RATES

April 25 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Over night	—	16-18	—	—	—	17½-17⅝	16½-17	—	—	—
2 days notice	—	—	17⅝-17¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	17½-17⅝	17½-18	—	17¾	17⅞	17	—	—	—
One month	17½-17⅜	17⅝-17½	17½-17⅝	18¾-18½	17¾	17⅞-17¾	16⅞	15⅞-15⅞	17⅛	17¾
Two months	17⅛-17⅛	17⅛-17⅛	—	18⅝-18⅛	17⅛	—	16⅝-16¾	16-16⅛	17⅛-17⅛	17½
Three months	17⅛-17⅛	17⅛-17⅛	17½-17⅝	17⅝-17¼	17⅝	17¾-17⅞	16⅝	16⅛-16⅛	16⅞	17⅛
Six months	16⅞-16⅞	16⅞-16⅞	16⅝-16¾	16⅝-16¼	16⅞	17½	—	—	15½-15⅞	16
Nine months	15⅞-15⅞	16-15⅞	—	16⅛-16	15⅞	16¼	—	—	—	—
One Year	15⅝-15½	15¾-15⅞	15⅞-16	16⅛-15¾	15⅞	16¼	—	—	—	—
Two years	—	—	15⅞-16	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rates nominally three years 15⅞-15⅝ per cent; four years 14¾-15¼ per cent; five years 14¾-15 per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16¾-16⅞ per cent; four-month trade bills 16⅞ per cent.

Approximate selling rates for one-month Treasury bills 15²⁵⁄₃₂-15²⁷⁄₃₂ per cent; two-months 15³¹⁄₃₂-16 per cent; three-months 16¹⁄₃₂-16¹⁄₁₆ per cent. Approximate selling rates for one-month bank bills 17³⁄₁₆ per cent; two-months 16²⁹⁄₃₂-17 per cent; three-months 16²¹⁄₃₂ per cent; one-month trade bills 17½ per cent; two-months 17 per cent and three-months 16⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 18 per cent from April 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.0629 per cent.

CURRENCY MOVEMENTS

April 25	Bank of England Index	Morgan Guaranty Changes %
Sterling	73.8	−32.4
U.S. dollar	87.4	−5.9
Canadian dollar	80.6	−18.0
Austrian schilling	155.9	+24.2
Belgian franc	116.0	+14.6
Danish kroner	106.4	−4.5
Deutsche mark	154.9	+44.6
Swiss franc	196.5	+78.2
Guilder	125.1	+18.9
French franc	101.0	−8.0
Lira	53.7	−50.6
Yen	116.6	+15.3

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 16.05-16.15 per cent; three-months 15.65-15.75 per cent; six months 14.80-14.90 per cent; one year 14.10-14.20 per cent.

April 25.	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	17⅝-17⅝	15¼-16½	11-13	9¾-10	⅝-⅞	8⅞-9	12¼-12½	11-13	5⅛-5⅝	11-11½
7 days' notice	17⅝-17⅝	15½-15¾	11-13	9⅞-10⅛	6-6½	8⅞-9	12¼-12½	15¼-17¼	15¾-15⅞	11⅞-12⅛
Month	17¼-17½	16-16¼	14⅞-15¼	10-10¼	5⅞-6⅛	9⅛-9⅛	12⅛-12⅜	16¼-17	16¼-16⅝	11⅞-12½
Three months	17⅛-17⅝	16⅛-16⅝	14⅞-15¼	10-10¼	6⅝-6¾	9⅛-9⅛	12⅝-12⅞	16½-17	16⅛-16¼	12¾-13
Six months	16¼-16½	15⅞-15⅞	14¼-14⅝	10-10¼	6½-6⅝	9⅛-9⅛	13-13¼	16¼-16¾	15¾-15⅝	12-12¼
One year	15½-15¾	14⅝-14⅞	14¼-14⅝	10⅛-10⅝	6⅛-6⅞	8⅞-9	13⅛-13⅝	16¾-17¼	14⅛-14⅝	10⅞-11⅛

Long-term Eurodollar two years 12¾-13 per cent; three years 12½-12¾ per cent; four years 12½-12¾ per cent; five years 12½-12½ per cent; nominal closing rates. Short-term rates are call for sterling. U.S. dollars, Canadian dollars and Japanese yen; others two days' notice. Asian rates are closing rates in Singapore.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 25	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.2344	+1.12	+0.20	±1.53
Danish Krone	7.72336	7.87416	+1.95	+1.08	±1.64
German D-Mark	2.48208	2.51673	+1.40	+0.48	±1.125
French Franc	5.84700	5.86521	+0.31	−0.61	±1.3557
Dutch Guilder	2.74362	2.77479	+1.14	+0.22	±1.512
Irish Punt	0.668201	0.67623	+1.21	+0.29	±1.668
Italian Lira	1157.79	1174.43	+1.44	+1.03	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

April 25	£	$		£ Note Rates
Argentina Peso	4041-4061	1772-1782	Austria	29.30-29.60
Australia Dollar	2.0540-2.0590	0.9025-0.9035	Belgium	67.30-67.90
Brazil Cruzeiro	111.12-112.12	48.86-49.06	Denmark	12.86-12.92
Finland Markka	8.595-8.596	3.7500-3.7540	France	9.58-9.64
Greek Drachma	94.956-97.178	41.85-42.25	Germany	4.11½-4.14 ½
Hong Kong Dollar	11.16¼-11.20½	4.9080-4.9110	Italy	1915-1930
Iran Rial	n/a	n/a	Japan	560-565
Kuwait Dinar(KD)	0.613-0.623	0.2722-0.2725	Netherlands	4.52-4.56
Luxembourg Frc.	66.10-66.20	29.07-29.09	Norway	11.30-11.37
Malaysia Dollar	5.1240-5.1440	2.2490-2.2540	Portugal	108-103
New Zealand Dlr.	2.3625-2.3685	1.0380-1.0395	Spain	167½-165½
Saudi Arab. Riyal	7.50-7.60	3.3250-3.3300	Sweden	9.71-9.77
Singapore Dollar	4.9300-4.9500	2.1670-2.1720	Switzerland	3.84-3.87
Sth. African Rand	1.8275-1.8290	0.8030-0.8035	United States	2.28-2.29
U.A.E. Dirham	8.40-8.50	3.7190-3.7240	Yugoslavia	49-51¼

Rate given for Argentina is free rate.

U.K. CONVERTIBLE STOCKS 25/4/80

Statistics provided by *dataSTREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◊ Current
Bank of Ireland 10pc Cv. 91-96	1.20	150.00	47.6	77-81	6.7	4.3	−14.2	−15 to −9	0.0	9.3	5.3	+19.5
British Land 12pc Cv. 2002	7.71	268.00	333.3	80-97	4.6	2.5	5.8	− 4 to 6	0.0	93.8	37.0	+31.2
Hanson Trust 6½pc Cv. 88-93	3.02	78.00	57.1	76-81	8.4	9.5	− 6.5	−10 to 1	6.2	3.1	− 3.7	+ 2.8
Slough Estates 10pc Cv. 87-90	5.50	234.00	187.5	78-86	4.3		− 1.0	− 6 to 1	35.3	43.9	3.6	+ 4.6
Slough Estates 8pc Cv. 91-94	24.88	116.00	78.0	80-81	7.1	6.3	18.0	15 to 26	25.8	50.7	25.3	+ 7.3
Ultramar 7pc Net R.Cv.Pfd.	12.59	3.03	0.5	76-81	3.3		− 3.1	− 5 to 1	11.2	9.4	− 0.6	+ 2.5
Wilkinson Match 10pc Cv. 84-98	11.10	73.00	40.0	76-83	14.3	14.8	46.0	22 to 46	20.8	29.1	16.7	−29.3

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

Abortive U.S. hostage rescue attempt shocks market
Gilts and equities weaken sharply but Golds soar

Account Dealing Dates

Options

*First Dealings	Declarations	Last Dealings	Account Day
Mar 24	Apr. 10	Apr. 11	Apr. 21
Apr. 14	Apr. 24	Apr. 25	May 6
Apr. 28	May 8	May 9	May 19

* "New time" dealings may take place from 9 am two business days earlier.

The two main investment sections of stock markets weakened significantly yesterday fearing possible repercussions of the abortive U.S. attempt to rescue the American hostages in Teheran, but Gold shares strengthened quite appreciably as the bullion price surged higher. Leading equities were marked down sharply immediately dealings began in order to deter potential selling and the success of the manoeuvre was seen in the development of a rally.

The turn for the better proved to be short-lived, however, because the tone turned easier again as soon as initial bear-covering was completed. From midday onwards, business, either on selling or buying account, became very sparse with the market showing some tension awaiting further developments *in the U.S./Iran situation* and values drifted lower in extremely unsettled conditions.

The tendency became steadier after the official close, when business is allowed without penalty for the Account starting *on Monday, and this* was reflected in the FT 30-share index which, after registering a fall of 8.7 at 3.00 pm, closed a net 7.3 down at 427.5. The losses among constituents of the index *ranged to* 10 as in GEC, at 363p.

Recent optimism about lower interest rates was smothered as the Gilt-edged market became totally involved with the Middle East crisis. Trading in this sector begins 30 minutes later than in equities and gilt dealers, after assessing the equity market's reaction to the news, lowered quotations accordingly. Nervous offerings were still drawn, however, and an attempt to recover was aborted when fresh selling outweighed bear covering and closing levels were the day's lowest.

The new ultra-long Government stock, Treasury 13¼ per cent 2004-08, ended the first full week of trading with a fall on the session of a point to 18¾, or 1¼ discount on the £20 paid at application last Thursday week. Losses elsewhere in this area occasionally exceeded that amount with Treasury 15¼ per cent 1996 falling 1¼ points to 102¼. Shorter maturities also suffered with Exchequer 10 per cent 1983 sustaining a setback of ⅞ to 86½.

Southern Rhodesian bonds were not immune from the weakness and the 2½ per cent 1965-70 issue was called 7 points easier at £130.

Demand for Traded options picked up slightly and 624 contracts were completed for a week's daily average of 704, a level boosted by the expiry of April options on Wednesday. **Cons. Gold Fields** were active again, recording 190 deals, while **Racal** attracted 106 trades.

Clive Discount flat

The final dividend omission and the £4.16m loss for the year demoralised **Clive Discount** *which plummeted 10 to 38p.* Other Discounts eased in sympathy with **Allen Harvey and Ross**, 340p, and **Union**, 400p, down 5 apiece. **Gerrard and National** gave up 4 to 216p and **Jessel Toynbee** relinquished 2 to 65p ahead of preliminary statements due next Wednesday. Among merchant banks, profit-taking after the recent good rise on investment buying left **Hambros** 11 down at 375p, after 373p. The major clearing banks closed a few pence above the day's lowest; **Lloyds** gave up 3 to 292p as did **NatWest**, to 325p.

The general malaise and weakness of the dollar unsettled Lloyds Brokers which closed *with falls ranging to 10 as in* **Willis Faber**, at 227p. **Bowring** fell 7 to 145p, well below the agreed bid terms offered by March and McLennan. Profit-taking after recent strength clipped 7 from **Hambro Life** at 185p, while losses of 6 and 10 respectively were seen in **Equity and Law**, 218p, and **Pearl**, 316p. **Phoenix**, 8 off at 212p, led Composites lower.

Building descriptions followed the market trend on small sales. Among the leaders, **Blue Circle** finished a couple of pence cheaper at 316p, while **Tarmac** closed 3 off at 222p, the latter's annual results are due next Tuesday. Speculative counters *in the Timber sector* were subjected to a further bout of profit-taking, **Montague L. Meyer** shedding 5 to 98p and **Mallinson-Denny** 2½ to 69p. **Travis and Arnold**, a particularly good market of late on the results and proposed 100 per cent scrip issue, came back 4 to 272p but retained a gain on the week of 28. Elsewhere, the appearance of a few sellers in an unwilling market left **William Whittingham** 7 *cheaper at 104p, while* **Brown and Jackson** shed 10 to 160p. **British Dredging** gave up 3 to a 1980 low of 18p, while **Ben Bailey**, also at 18p, relinquished the previous day's gain of 2 prompted by the higher half-yearly profits.

Leading Chemicals encountered nervous offerings which left **ICI** 8 down at 354p and *Fisons 5 off at 277p.* **Laporte**, still reflecting the uninspiring results, gave up 4 to 103p for a fall on the week of 8. **Revertex**, which reported poor figures on Monday, jumped 6 to 35p, after 41p, on the announcement that Yule Catto had acquired 29.9 per cent of the shares at 40p per share.

Leading Stores closed with moderate falls. **Mothercare**, due to announce preliminary results during the next Account, gave up 6 to 236p, while **Debenhams** fell 4 more to 68p. **Lonrho's** intention to press for a higher dividend continued to unsettle **House of Fraser**, 3 cheaper at 133p. Away from the majors, **Kitchen Queen**, a dull market since boardroom changes recently, fell 2 more to 12p following news that the company is planning to sell off a number of its stores. Speculative support *was withdrawn from* **Lee Cooper**, 11 down at 255p, while **A. G. Stanley**, annual results next Wednesday, eased a couple of pence to 67p. The revised profits forecast continued to upset **MFI**, 4 lower for a week's fall of 22 at 56p, while **Status Discount** shed a *similar* amount at 50p. Comment on the annual statement prompted further weakness in **Grattan Warehouses**, 6 lower at 64p, while sharply reduced profits clipped 2 from **Liberty**, 153p.

Stylo announced lower full-year earnings but held steady at 145p helped by the increased dividend. **Allebone**, however, gave up 2 to 17p following reduced annual profits.

Electrical leaders finished a shade above the worst, but falls on the day were still fairly substantial with **GEC** 10 lower at 363p, after 362p. **Racal** fell 8 to 232p and **Thorn EMI** 6 to 302p, while **Plessey** gave up 4 to 140p. Fresh selling left **Muirhead** 5 lower at 151p, while other noteworthy losses included **Electronic Machine**, 4 cheaper at 24p, and **Fidelity Radio**, a similar amount down at 56p. Against the trend, **Wholesale Fittings** continued firmly and gained 5 more to 650p.

Among the Engineering leaders, **Tubes** gave up 6 to 240p and **Hawker** *4 to 176p, but other* losses were limited to a penny. **John Brown**, however, closed without alteration at 46½p, after opening lower at 44p. Elsewhere, **Francis Industries** provided one of the day's few bright spots, rising 5¼ to 57½p in response to the increased annual profits. In contrast, **RCF** fell 5 to 19 on the sharp fall in interim profits.

Widely lower on Thursday on worries about increased competition and Linfood's £11.5m cash call, Supermarket issues gave further ground faced with the general malaise; **J. Sainsbury** and **Associated Dairies** shed 2 apiece to 228p and 180p respectively. **Tesco**, down 4 on Thursday, held at 57p. **Kwik Save** touched 91p before reverting to 89p with the dividend rise *outweighing the disappointing* half-yearly profits.

Boots down again

Marked lower at the outset following news of America's *unsuccessful attempt to free the* Iranian hostages, miscellaneous industrial leaders continued to drift lower on light selling. Although prices later rallied about a penny in places, falls at the close still ranged to 8. **Pilkington**, 198p, and **Rank Organisation**, 184p, both lost that much, while **Boots** remained on offer and fell 5, making a fall on the week of 14 to 180p. Adverse comment prompted a fresh fall of 4 to 198p in **Glaxo**; the shares have now fallen 42 since poor interim results were announced about 10 days ago. Elsewhere, **Hoskins and Horton** fell 4 to 93p following disappointing results and renewed nervous offerings ahead of Monday's preliminary figures left **Foseco Minsep** 2 off at 146p. North Sea oil favourite **National Carbonising** gave up 8 to 112p, while similar falls were seen in **Centreway**, 135p, **Dalgety**, 254p, and **Esperanza Trade and Transport**, 198p. **Sutcliffe Speakman** were sold down to 22p, for a fall of 5½ on the day, while **Channel Tunnel**, at 155p, lost 5 of the recent rise which followed a *British Rail announcement that* the "chunnel" can be open by July 1989. **Hestair**, on the other hand, rose 2 to 28p in response to the strong profits recovery, while **Johnson Matthey** gained 10 to 255p in sympathy with the rise in precious metal prices. **Applied Computers** picked up 10 to 350p, while **William Press** hardened a fraction after-hours to 28p on news that Sir Robert McAlpine has acquired a near 6 *per cent stake in the company.*

Motor sectors tended to lower levels although selling was light.

Newspapers were dull again on the print workers' dispute. **News International** eased 3 to 143p, while **Associated** gave up 6 at 276p. Among provincial issues, **United** fell 9 to 371p while losses of around 4 were sustained by **East Midland Allied Press**, 70p, **BPM A**, 78p, and **Home Counties**, 80p. **International Thomson** encountered further selling following the disappointing annual results and closed 22 lower for a two-day fall of 40 at 365p.

Leading Properties held relatively steady and closed with only marginal losses. **Hammerson A** were unmoved at 860p by the higher annual profits and proposed 100 per cent scrip issue, *but the £1.35m acquisition of a* shopping precinct from **Peachey**, 3 cheaper at 141p, left **Capital and Counties** a couple of pence easier at 107p. Scattered offerings left their mark on **Great Portland Estates**, which gave up 6 to 238p, and **Stock Conversion**, a *similar* amount down at 396p. Already 4 cheaper at 60p awaiting the results, **Bank and Commercial** remained at that level after the announcement.

Oils volatile

Overshadowed by the turn of events in Iran, Oil shares had a volatile session. **British Petroleum** opened lower at 322p and eased to 318p before settling at the opening price of 322p for a fall of 4 on the day, while **Shell** reacted to finish around the day's lowest with a fall of 6 at 332p. Outside of the leaders, **Burmah** weakened 6 to 198p, but **Tricentrol** *fluctuated narowly in the* earlier dealings before moving ahead to close 12 to the good at 326p. **Lasmo** also continued firmly and put on 8 more to 550p, but speculative interest faded in **Siebens**, down 20 at 680p.

Reflecting the general downturn in equities, Trusts gave ground on a broad front but losses were usually limited to 2 or 3 pence. **Viking Resources**, however, held at 178p after the results and proposed one-for-one scrip issue.

Shippings gave ground with **P. and O. deferred** noteworthy for a fall of 6 at 114p.

Golds surge ahead

The mining market staged a broad advance as the ill-fated rescue operation for the American hostages in Iran prompted sharp gains in precious and base-*metal prices.*

Gold shares surged ahead as the bullion price jumped $28 to $550.50 an ounce—its highest level since March 24.

Share prices were marked up sharply at the opening and continued to improve for most of *the morning in the wake of* sizeable local and international buying. Light profit-taking was reported after the lunchtime period but renewed interest from the U.S. became evident in the after-hours' trade and left prices at the day's best.

The Gold Mines index advanced 24.7 to 326.8 its highest since March 10. Heavyweights registered gains to £2¼, as in **Hartebeest**, £28, while **West Driefontein** put on £2⅝ to £33¾. **President Steyn** £1⅞ to £17¾ and **Western Deep** £1⅜ to £16¼. Medium and lower-priced issues showed **Unisel** 42 up at 472p and "**Sallies**" 20 firmer at 294p.

Financials reflected the buoyancy of Golds and were additionally boosted by the substantial gains in base-metals. In South Africans, **Anglo American** added 20 to 560p and **GFSA** £1¼ to £31¼.

London issues got off to a strong start but encountered profit-taking in the early afternoon prior to moving ahead in the after-hours' business. **Gold Fields** ended 14 up at 488p, after 500p, while **Rio Tinto-Zinc** rose 13 to 370p, after 372p, and **Tanks** added 8 to 260p.

Overseas buying lifted Platinums where **Impala** were 11 better at 268p and **Rustenburg** 8 up at 223p.

Australians eased in late dealings after moving ahead strongly during the morning. Gold producers and exploration issues were notably firm with **Gold Mines of Kalgoorlie** 15 to the good at 212p, **Poseidon** 8 up at 122p and **Allstate** 8 higher at 63p. **Otter** advanced 7 to 73p.

LONDON TRADED OPTIONS

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	330	22	2	34	—	48	—	319p
BP	360	10	2	22	—	34	—	"
BP	390	6	2	15	—	—	—	"
Com. Union	140	5	6	11	2	14	—	128p
Cons. Gold	500	34	73	56	20	66	—	487p
Cons. Gold	550	14	76	30	21	—	—	"
Courtaulds	60	9½	22	11	—	13½	—	65p
Courtaulds	70	4	—	5½	—	7½	2	"
Courtaulds	80	2½	2	3	2	—	—	"
GEC	330	51	4	64	—	—	—	363p
GEC	390	16	23	30	—	47	1	"
Grand Met.	120	10½	25	14½	—	19½	—	128p
Grand Met.	130	4½	5	10	—	14½	2	"
ICI	330	42	2	—	—	—	—	355p
ICI	390	8	2	15	—	26	—	"
Land Secs.	300	31	30	43	3	53	—	315p
Land Secs.	330	13	4	26	—	40	1	"
Marks & Sp.	90	5	—	9	7	13	2	86p
Shell	330	28	3	38	—	48	—	333p
Shell	390	6	—	11	1	—	—	"
Shell	420	3	—	7	10	—	—	"
Totals			283		66		8	
		May		**August**		**November**		
Imperial Gp.	70	85	25	12	—	13½	—	78p
Imperial Gp.	80	2½	—	5	50	7	—	"
Racal Elec.	220	17	82	33	—	42	—	232p
Racal Elec.	240	9	5	17	—	31	—	"
Racal Elec.	260	3	18	13	—	23	1	366p
RTZ	330	38	2	62	—	75	—	"
RTZ	360	20	39	40	15	55	—	"
RTZ	390	8	15	28	—	40	—	"
RTZ	480	3	15	14	—	27	—	"
Totals			201		66		1	

FINANCIAL TIMES STOCK INDICES

—	Apr. 25	Apr. 24	Apr. 23	Apr. 22	Apr. 21	Apr. 18	A year ago
Government Secs.	65.61	66.48	66.80	66.68	67.00	66.68	74.99
Fixed Interest	66.48	67.11	67.13	67.25	67.35	67.13	76.97
Industrial	427.5	434.8	435.2	434.3	441.1	442.7	547.9
Gold Mines	326.8	302.1	292.4	287.2	301.2	300.0	152.1
Ord. Div. Yield	8.23	8.09	8.07	8.10	7.97	7.95	5.52
Earnings, Yld. % (full)	20.08	19.89	19.85	19.90	19.60	19.54	14.94
P/E Ratio (net) (*)	6.06	6.11	6.13	6.11	6.20	6.22	9.00
Total bargains	19,011	17,701	17,038	16,748	18,378	16,505	—
Equity turnover £m	—	98.14	96.43	75.91	108.50	80.34	103.81
Equity bargains total	—	13,322	12,711	11,525	12,298	11,554	20,201

10 am 426.2. 11 am 428.5. Noon 427.8. 1 pm 426.2.

2 pm 428.2. 3 pm 428.1.

Latest Index 01-246 8026.

*Nil=5.89.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	69.26 (21/1)	63.86 (7/3)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	69.61 (21/1)	64.70 (10/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	478.8 (13/2)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.9 (28/2)	265.5 (18/3)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Apr. 25	Apr. 24
Daily		
Gilt Edged	109.2	101.4
Industrials	128.9	114.5
Speculative	41.7	30.6
Totals	86.8	76.5
5-day Avge.		
Gilt Edged	114.5	114.9
Industrials	113.1	105.3
Speculative	30.8	26.4
Totals	78.6	74.5

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	2	86	1	165	241	34
Corpns. Dom. & Foreign Bonds	—	37	29	33	56	241
Industrials	78	605	714	747	1,648	4,580
Financial and Property	15	305	180	438	731	1,331
Oils	12	20	16	72	76	92
Plantations	2	5	20	25	24	86
Mines	100	4	51	278	196	301
Others	52	45	38	226	235	206
Totals	259	1,107	1,049	1,984	3,207	6,871

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section

	Equity groups & sub-sections	Fri., April 25, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs., April 24 Index No.	Wed., April 23 Index No.	Tues., April 22 Index No.	Mon., April 21 Index No.	Year ago (approx.) Index No.	1980 High	1980 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (172)	233.32	−1.5	18.89	6.87	6.61	236.97	238.21	238.29	240.16	279.80	250.52 (14/2)	208.87 (3/1)	287.87 (4/5/79)	50.71 (13/12/74)
2	Building Materials (28)	231.23	−1.4	17.71	6.95	7.11	234.50	234.28	236.45	237.76	260.96	244.27 (14/2)	194.00 (3/1)	270.52 (8/5/79)	44.27 (11/12/74)
3	Contracting, Construction (27)	349.02	−0.8	27.31	7.07	4.46	351.83	353.68	356.23	356.21	432.63	377.28 (29/2)	313.00 (3/1)	451.74 (4/5/79)	71.48 (2/12/74)
4	Electricals (16)	605.34	−2.5	13.74	4.17	9.49	620.59	625.78	622.07	629.40	676.42	646.77 (13/2)	539.56 (2/1)	698.53 (4/5/79)	84.71 (25/6/62)
5	Engineering Contractors (11)	277.14	−1.7	23.68	9.35	5.54	281.82	283.22	285.27	286.24	420.82	306.54 (14/2)	268.22 (18/3)	429.70 (4/5/79)	64.39 (2/1/75)
6	Mechanical Engineering (74)	155.94	−1.3	22.00	8.47	5.57	158.00	159.02	158.92	160.13	206.57	173.75 (14/2)	146.46 (3/1)	211.08 (8/5/79)	45.43 (6/1/75)
8	Metals and Metal Forming (16)	162.26	−0.2	21.29	10.03	5.68	162.62	163.46	162.96	164.36	188.22	171.28 (29/2)	141.95 (2/1)	192.29 (4/5/79)	49.65 (6/1/75)
11	CONSUMER GOODS (DURABLE) (49)	212.61	−1.9	15.47	6.01	7.92	216.70	217.39	216.77	219.24	253.38	226.35 (3/3)	184.82 (3/1)	259.88 (8/5/79)	38.39 (6/1/75)
12	Lt. Electronics, Radio, TV (14)	307.11	−2.0	11.89	4.33	10.75	313.44	314.99	313.65	318.34	344.40	322.21 (3/3)	247.36 (3/1)	358.49 (11/9/79)	42.85 (13/12/74)
13	Household Goods (14)	103.74	−1.8	28.49	10.70	4.14	105.67	105.80	106.37	106.82	177.83	116.40 (1/1)	103.55 (18/3)	263.22 (4/5/72)	63.92 (17/12/74)
14	Motors and Distributors (21)	101.20	−1.5	22.94	9.85	5.09	102.76	102.62	102.55	102.83	130.55	115.86 (29/1)	101.20 (25/4)	170.59 (15/1/69)	19.91 (6/1/75)
21	CONSUMER GOODS (NON-DURABLE) (173)	211.05	−1.2	19.28	7.35	6.32	213.71	215.60	216.32	219.16	261.85	226.99 (21/1)	200.15 (3/1)	269.81 (4/5/79)	61.41 (13/12/74)
22	Breweries (14)	264.11	−1.1	16.76	6.65	7.01	267.06	268.00	267.87	273.39	294.99	273.68 (21/1)	248.93 (3/1)	306.13 (4/5/79)	69.47 (13/12/74)
23	Wines and Spirits (5)	297.92	−1.2	18.28	6.27	6.74	301.67	303.28	304.48	306.54	338.73	322.79 (21/1)	286.29 (28/3)	352.29 (29/3/79)	78.88 (13/12/74)
24	Entertainment, Catering (17)	282.99	−1.4	20.22	7.68	6.13	287.04	290.64	290.92	296.83	367.22	312.63 (5/3)	268.87 (3/1)	374.32 (3/5/79)	54.83 (9/1/75)
25	Food Manufacturers (21)	188.73	−1.1	20.81	7.80	5.64	190.81	191.85	192.93	193.88	231.07	208.78 (14/2)	183.95 (28/3)	236.75 (4/5/79)	59.67 (11/12/74)
26	Food Retailing (13)	288.69	−0.8	13.89	4.88	8.64	290.95	302.29	302.11	303.71	316.31	325.52 (21/1)	286.28 (3/1)	332.56 (8/5/79)	54.25 (11/12/74)
32	Newspapers, Publishing (13)	403.14	−1.9	24.22	7.51	5.54	410.95	415.43	417.13	419.39	477.24	455.30 (14/2)	378.52 (3/1)	492.56 (8/5/79)	55.08 (6/1/75)
33	Packaging and Paper (15)	128.95	−0.2	24.73	9.06	4.98	129.26	130.11	130.24	129.97	151.51	134.86 (14/2)	111.30 (3/1)	155.65 (14/9/78)	43.46 (6/1/75)
34	Stores (43)	208.81	−1.3	14.56	5.59	8.98	211.58	213.33	213.88	218.43	263.47	227.12 (29/2)	188.71 (3/1)	273.48 (4/5/79)	52.63 (6/1/75)
35	Textiles (24)	120.21	−1.1	30.00	12.83	4.15	121.49	120.96	121.55	123.20	185.20	134.65 (19/2)	117.70 (8/4)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	195.02	−2.3	29.86	11.87	3.80	199.58	201.56	204.05	205.05	276.72	221.71 (18/1)	192.86 (3/1)	339.16 (2/8/72)	94.34 (13/6/62)
37	Toys and Games (5)	32.78	−2.0	45.87	15.48	2.68	33.47	33.32	33.32	33.50	88.81	47.59 (1/1)	30.00 (1/4)	135.72 (16/1/70)	20.92 (6/1/75)
41	OTHER GROUPS (98)	195.28	−1.6	18.05	7.54	6.62	198.44	199.41	198.73	200.68	228.40	215.44 (14/2)	184.19 (3/1)	234.76 (8/5/79)	58.63 (6/1/75)
42	Chemicals (16)	289.67	−1.6	21.38	8.27	5.35	294.44	295.95	294.74	299.49	319.97	317.88 (13/2)	276.80 (3/1)	329.77 (4/5/79)	71.20 (1/12/74)
43	Pharmaceutical Products (7)	185.11	−1.7	13.56	7.23	8.95	188.28	188.66	187.93	191.13	270.56	221.00 (13/2)	185.11 (25/4)	291.13 (14/9/78)	185.11 (25/4/80)
44	Office Equipment (6)	105.63	−3.2	20.23	7.77	5.71	109.15	109.66	109.11	110.03	148.39	123.10 (14/2)	102.45 (3/1)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping (11)	460.23	−2.3	12.31	6.56	10.01	471.13	465.58	467.95	469.80	463.83	494.05 (14/2)	411.53 (10/1)	539.68 (18/5/77)	90.80 (29/6/62)
46	Miscellaneous (58)	236.89	−1.1	17.62	7.15	7.12	239.53	241.75	240.80	241.35	260.14	255.99 (14/2)	211.86 (3/1)	273.91 (8/5/79)	60.39 (6/1/75)
49	INDUSTRIAL GROUP (492)	219.68	−1.5	18.60	7.17	6.56	222.91	224.37	224.48	226.92	265.58	236.37 (14/2)	203.76 (3/1)	273.01 (4/5/79)	59.01 (13/12/74)
51	Oils (8)	691.66	−1.3	33.29	7.45	3.32	700.75	714.88	715.35	721.40	696.52	840.16 (5/3)	668.86 (8/1)	840.16 (5/3/80)	87.23 (29/5/62)
59	500 SHARE INDEX	257.15	−1.4	21.57	7.23	5.48	260.85	263.28	263.42	266.15	300.66	282.49 (13/2)	241.13 (3/1)	308.20 (4/5/79)	63.49 (13/12/74)
61	FINANCIAL GROUP (118)	195.10	−1.5	—	6.33	—	198.05	198.53	197.61	199.78	213.29	203.18 (13/2)	175.85 (3/1)	241.41 (1/4/72)	55.88 (13/12/74)
62	Banks (6)	212.45	−0.8	46.06	7.25	2.66	214.06	214.62	212.58	215.09	255.84	236.42 (13/2)	201.01 (8/4)	288.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10)	226.87	−2.4	—	8.80	—	232.54	232.54	232.54	232.96	262.88	246.96 (25/1)	206.50 (18/3)	293.13 (2/5/72)	81.40 (10/12/74)
64	Hire Purchase (5)	197.95	−1.5	16.59	5.02	7.83	200.97	200.97	200.68	201.48	195.37	203.71 (15/4)	160.72 (3/1)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (10)	176.62	−2.5	—	7.21	—	181.06	180.30	179.49	183.33	174.00	183.33 (21/4)	151.80 (3/1)	194.46 (15/3/72)	44.88 (2/1/75)
66	Insurance (Composite) (9)	122.48	−1.7	—	8.79	—	124.54	124.61	125.02	127.34	151.68	135.02 (13/2)	117.05 (3/1)	161.72 (6/10/77)	43.96 (13/12/74)
67	Insurance Brokers (10)	288.83	−3.0	16.93	7.09	8.27	297.71	298.88	296.48	298.87	328.47	305.08 (17/4)	256.48 (3/1)	372.27 (1/8/78)	65.86 (16/12/74)
68	Merchant Banks (14)	101.95	−1.9	—	6.12	—	103.92	104.09	104.20	104.42	100.65	106.46 (14/2)	87.47 (3/1)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (45)	383.01	−1.3	3.41	2.93	42.04	388.01	390.56	387.97	390.00	361.75	390.56 (23/4)	304.20 (3/1)	390.56 (23/4/80)	56.01 (20/4/65)
70	Miscellaneous (9)	126.61	−1.0	20.65	7.42	6.16	127.86	128.06	127.61	127.84	130.59	137.13 (14/2)	119.62 (3/1)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	210.08	−1.3	—	6.27	—	212.91	213.95	212.08	213.96	246.64	241.41 (14/2)	188.97 (3/1)	248.31 (26/4/79)	71.63 (13/12/74)
81	Mining Finance (4)	189.31	+2.9	14.08	5.21	8.62	184.02	185.57	183.56	186.71	141.81	230.07 (13/2)	161.95 (1/1)	230.07 (13/2/80)	66.31 (30/9/74)
91	Overseas Traders (19)	377.86	−1.5	13.26	7.13	9.24	383.62	383.32	386.26	388.50	366.90	437.34 (13/2)	330.03 (3/1)	437.34 (13/2/80)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	242.76	−1.3	—	6.95	—	245.98	247.84	247.57	250.17	276.49	265.72 (13/2)	225.06 (3/1)	283.82 (4/5/79)	61.92 (13/12/74)

FIXED INTEREST PRICE INDICES

	British Government	Fri., April 25	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	101.54	−0.47	—	3.45
2	5-15 years	105.06	−0.99	—	3.97
3	Over 15 years	108.58	−1.10	—	4.51
4	Irredeemables	121.01	−1.44	4.30	6.08
5	All stocks	104.73	−0.86	0.06	3.95

FIXED INTEREST YIELDS
British Govt. Av. Gross Red.

			Fri., April 25	Thurs., April 24	Year ago (approx.)	1980 Highs	1980 Lows
1	Low	5 years	12.85	12.66	9.30	13.32 (4/3)	11.79 (21/1)
2	Coupons	15 years	12.66	12.49	10.19	13.12 (4/3)	11.79 (21/1)
3		25 years	12.66	12.49	10.77	13.12 (4/3)	11.79 (21/1)
4	Medium	5 years	14.71	14.43	10.83	15.37 (4/3)	13.88 (21/1)
5	Coupons	15 years	14.29	14.10	11.48	14.71 (4/3)	13.31 (21/1)
6		25 years	14.12	13.95	11.67	14.50 (4/3)	13.20 (21/1)
7	High	5 years	14.74	14.50	11.18	15.44 (4/3)	14.31 (21/1)
8	Coupons	15 years	14.63	14.43	11.87	15.06 (4/3)	13.76 (21/1)
9		25 years	14.55	14.37	11.92	14.92 (4/3)	13.45 (21/1)
10	Irredeemables		11.98	11.77	10.58	12.53 (21/3)	10.88 (21/1)

		Fri., April 25 Index No.	Yield %	Thur. April 24	Wed. April 23	Tues. April 22	Mon. April 21	Fri. April 18	Thur. April 17	Wed. April 16	Year ago app'x	1980 Highs	1980 Lows	Since Compilation Highs	Since Compilation Lows
15	20-yr. Red. Deb. & Loans (15)	50.08	†14.75	49.95	49.84	49.85	49.88	49.82	49.86	49.74	61.43	51.83 (31/1)	49.12 (7/1)	113.43 (25/10/65)	37.06 (6/1/76)
16	Investment Trust Prefs. (15)	47.62	14.17	47.81	47.81	47.81	47.67	47.67	47.72	47.72	52.61	48.43 (29/1)	46.54 (2/1)	114.41 (18/8/68)	34.45 (4/12/74)
17	Coml. and Indl. Prefs. (20)	61.61	14.67	61.78	61.72	61.72	61.46	61.56	61.61	61.26	75.20	63.27 (30/1)	60.92 (27/3)	114.96 (7/10/63)	47.67 (6/1/76)

Equity Section or Group — Base Date — Base Value: [illegible]

[illegible] quarterly highs and lows of the indices, is obtainable from the Book Sales Department, FT Business Publishing Limited, Minster House, Arthur Street, London, EC4R 9AX, at £30 per copy. [illegible]

NEW HIGHS AND LOWS FOR 1980

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (14)

BRITISH FUNDS (2)
Treas. 3½pc '77-80 Fund'g 5¼pc '78-80
AMERICANS (2)
American Express Caterpillar
BANKS (1)
Smith St. Aubyn
STORES (1)
Polly Peck
ENGINEERING (2)
Drake & Scull M.L. Holdings
INDUSTRIALS (1)
BTR
LEISURE (1)
Grampian A
MOTORS (1)
Flight Refuelling
PROPERTY (1)
Regalian
TRUSTS (1)
Family Inv. Trust
OIL GAS (1)
LASMO

NEW LOWS (110)

AMERICANS (2)
BANKS (2)
BEERS (1)
BUILDINGS (5)
CHEMICALS (3)
DRAPERY & STORES (10)
ELECTRICALS (3)
ENGINEERING (13)
FOODS (9)
HOTELS (3)
INDUSTRIALS (29)
INSURANCE (1)
LEISURE (2)
MOTORS (6)
NEWSPAPERS (5)
PAPER & PRINTING (2)
SHIPPING (2)
SHOES (3)
TEXTILES (2)
TOBACCOS (2)
TRUSTS (1)
OILS (2)
MINES (1)

OPTIONS

DEALING DATES

First Dealing	Last Dealing	Last Declaration	For Settlement
Apr. 21	May 3	Jul. 24	Aug. 4
May 6	May 16	Aug. 7	Aug. 18
May 19	Jun. 6	Aug. 28	Sept. 8

For rate indications see end of Share Information Service.

Calls were arranged in Courtaulds, P & O Defered, FNFC 9½ per cent Convertible, BP, Woodside, Mallinson-Denny, Dunlop, Bambers, Tricentrol, William Collins A, Chloride, Premier Oil, Northern Mining, KCA, Rhodesian Corporation, Keyser Ullmann, Northern Kalgoorlie and Oil Search. Puts were done in Lasmo and Burton, while doubles were completed in Woodside, BP and FNFC.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Schroder Life Group. Enterprise House, Portsmouth. 0705 27733

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Group (a) (g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.

Barclays Unicorn Ltd. (a)(c)(g)

Baring Brothers & Co. Ltd.

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia Trust Management (a)(g)(c)

The British Life Office Ltd. (a)

Brown Shipley & Co. Ltd.

Canada Life Unit Trst. Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Carliol Unit Fd. Mgrs. Ltd. (a)(c)

Charities Official Invest. Fund

Chieftain Trust Managers Ltd. (a)(g)

Confederation Funds Mgt. Ltd. (a)

Cosmopolitan Fund Managers (a)

Craigmount Unit Tst. Mgrs. Ltd.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)

NOTES

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Emson & Dudley Tst. Mngmnt. Ltd.

Equity & Law Un. Tr. M. (a)(b)(c)

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Unit Tr. Mgrs.

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers (a)(g)

Gibbs (Antony) Unit Tst. Mgrs. Ltd. (a)

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a)(b)(c)

Hill Samuel Unit Tst. Mgrs.

Investment Intelligence Ltd. (a)(g)

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Legal & General Tyndall Fund

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd.

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.

M & G Group (y)(c)(z)

ManuLife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mngmnt. Ltd.

Murray Johnstone U.T. Mgmt.

Mutual Unit Trust Managers (a)(g)

National Provident Inv. Mngrs. Ltd.

National Westminster (a)

NEL Trust Managers Ltd. (a)(g)

Norfolk Unit Trust Managers Ltd.

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt. (a)

Practical Invest. Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd. (a)(b)(c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd. (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group

Schlesinger Trust Mngrs. Ltd. (a)(z)

J. Henry Schroder Wagg & Co. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Sebag Unit Tst. Managers Ltd.

Security Selection Ltd.

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd. (a)(g)

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co.

Tyndall Managers Ltd.

TSB Unit Trusts (y)

Ulster Bank (a)

Unit Trust Account & Mgmt. Ltd.

Wieler Growth Fund

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life

Crusader Insurance Co. Ltd.

Eagle Star Insur/Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Gartmore Bonds

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. Co. Ltd.

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London A'deen & Nthn. Mtl. Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

Phoenix Assurance Co. Ltd.

Planned Savings Group

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Provident Capitol Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Widows' Group

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Standard Life Assurance Company

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Arbuthnot Securities (C.I.) Limited

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bishopsgate Progressive—Ldn. Agents

Bridge Management Ltd.

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Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

F & C Mgmt. Ltd. Inv. Advisers

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Fidelity Mgmt. Research (Jersey) Ltd.

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Gartmore Invest. Ltd. Ldn. Agts.

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Hambros Fd. Mgrs. (C.I.) Ltd.

Henderson Baring Group

Hill-Samuel & Co. (Guernsey) Ltd.

Hill Samuel Invest. Mgmt. Intnl.

N.V. Interbeheer

International Pacific Inv. Mgmt. Ltd.

J.E.T. Managers (Jersey) Ltd.

Jardine Fleming & Co. Ltd.

Leopold Joseph & Sons (Guernsey)

Kemp-Gee Management Jersey Ltd.

Keyser Ullman Ltd.

King & Shaxson Mgrs.

Kleinwort Benson Limited

Lazard Brothers & Co. (Jersey) Ltd.

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1980 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
98 11/16	95⅞	Treasury 3½pc '77-80	98 11/16	+1/32	3.55	16.13
98 3/16	96	Funding 5¼pc '78-80‡‡	98 3/16	+1/16	5.32	15.91
98 15/16	97⅞	Exchequer 13pc 1980‡‡	98 9/32xd	–⅛	13.18	15.77
97 11/16	96¼	Treasury 11½pc 1981‡‡	97 9/16	–⅛	11.78	15.00
92¼	90¾	Treasury 3½pc 1979-81	91½	–¼	3.82	14.93
95⅞	93⅝	Treasury 9¾pc 1981‡‡	95½	–1/16	10.20	15.07
93¼	91¼	Exch. 8¼pc 1981	92⅞	–3/16	8.88	15.31
94⅛	92¼	Exch. 9½pc 1981	93¾	–3/16	10.13	15.01
89¾	85½	Exch. 3pc 1981	89¼	–⅛	3.36	12.04
97 11/16	96½	Treas. Variable '81§§	97 7/16xd	......	16.45	18.57
97 9/16	95 5/16	Exch. 12¾pc 1981‡‡	96 [illegible]xd	–7/16	13.16	15.08
90 [illegible]	88½	Treas. 8½pc '80-82‡‡	90⅜	–½	9.40	14.08
86¾	82½	Treasury 3pc '82‡‡	86¼	–⅜	3.47	11.64
99⅜	96⅝	Treasury 14pc '82‡‡	99	[illegible]	14.14	14.56
95⅞	94¼	Treas. Variable '82§§	94⅞	–1/16	17.52	19.58
89 3/16	86⅛	Treasury 8¼pc '82	88⅝	–⅛	9.30	14.74
89⅞	86⅛	Exch. 9¼pc 1982	89⅝	–3/16	10.34	14.55
88 7/16	85	Exch. 8¾pc 1983	87⅝	–⅛	9.98	14.42
79⅞	76½	Exch 3pc '83	78⅝	–⅛	3.80	12.03
94 1/16	90⅞	Treasury 12pc 1983‡‡	93	–¼	12.90	15.04
93⅝	90⅝	Treas. Variable '83§§	93xd	–3/16	17.35	19.76
92 13/16	84½	Treasury 9¼pc '83	86½	–1/16	10.69	14.61
97⅛	94¼	Exch. 13½pc '83	96xd	–¼	14.06	15.00
87¾	84½	Exch. 10pc 1983	86½	–⅞	11.56	14.91
79½	76½	Funding 5½pc '82-84‡‡	78½	–⅝	7.00	12.93
90 1/16	87¼	Exch. 11¼pc 1984	89½	–1 1/16	12.56	14.92
98⅝	94½	Exchequer 14pc 1984	97xd	–1 1/16	14.43	15.04
70⅛	68¼	Exch. 3pc 1984	69½	–⅝	4.31	12.67
92½	88⅜	Treasury 12pc 1984	91½	–¾	13.11	14.64
103⅝	98	Treasury 15pc 1985	101	–¾	14.85	14.66

Five to Fifteen Years

1980 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
97⅝	90½	Exch. 12¼pc 1985	91¾	–½	13.23	14.24
85¼	79¼	Treasury 8½pc '84-86‡‡	84½	–¾	10.37	12.79
99½	91	Exch. 13¼pc 1987	98¾	–½	13.91	14.34
75⅞	70¾	Funding 6½pc '85-87‡‡	73½xd	–⅝	8.88	12.33
76¾	72¼	Treasury 7¾pc '85-88‡‡	75⅞	–½	10.48	13.22
60¼	54⅞	Transport 3pc '78-88	59	–⅝	5.16	10.87
89¾	83	Treasury 11½pc 1989	87½	–1	13.46	14.45
64⅛	58⅝	Treasury 5pc '86-89	60¾	–¾	8.32	12.23
98½	89¾	Treasury 13pc 1990‡‡	96¾	–1	13.97	14.32
75⅝	69⅞	Treasury 8¼pc '87-90‡‡	74½	–¾	11.54	13.49
90	82½	Treasury 11¾pc 1991	88⅛	–1⅛	13.88	14.61
64⅝	57½	Funding 5¾pc '87-91‡‡	59⅝	–⅞	9.70	12.75
87⅜	78⅛	Exch. 11pc 1991	80⅝xd	–⅞	13.62	14.53

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

1980 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
60	56½	Agric. Mt. 5pc '59-89	59½	–½	8.62	12.94
78	73½	Alcan 10½pc '89-94	77	–½	14.07	14.90
28½	25	Met. Wtr. 3pc 'B'	26¼	–¼	11.62	13.61
102	89	U.S.M.C. 9pc 1982	94	......	10.44	—
89	85½	Do. without Warrants	89	......	10.60	17.10

LOANS—Continued

Financial

1980 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
98½	96½	FFI 13pc 1981	97½	......	13.33	16.43
96¾	93½	Do. 14pc '83	96¼	–¼	14.54	15.33
84½	79½	ICFC 5½pc Deb. '80-82	83½	–½	6.62	14.09
74½	71½	Do. 6¼pcDb. '81-84	72xd	–½	8.68	14.90
87	80½	Do. 10½pc Uns.Ln. '86	85½	–½	12.79	15.30
87	77	Do. 11pc Uns.Ln. '88	86	......	13.31	14.35
88	82	Do. 11¾pc Uns.Ln. '90	88	......	13.93	14.80
61	56	Do. 7¼pcADeb. '89-92	60	–½	12.76	14.85
61	51½	Do. 7¼pcA Db. '91-94	56½	–½	13.05	14.80
72	64½	Do. 9pc'A' '91-94	66½	–½	13.78	14.90
65½	61	Do. 8¾pcLn. '92-97	63½	–½	14.48	15.15
95	84½	Do. 12¼pc. Uns.Ln. 1992	88	......	14.40	14.90

FOREIGN BONDS & RAILS

1980 High	Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
57	43	Antofagasta Rly.	55	......	—	—
50	50	Do. 5pc Pref.	50	......	—	—
98	98	Chilean Mixed	98	......	—	3.39
58	45	Chinese 4½pc 1898	45	......	—	—
45	38	Do. 5pc 1912	38	......	—	—
24	18	Do. 5pc 1913	20	......	—	—
24	17½	Do. 5pc 1925 Boxer	24	......	—	—
430	425	German Yng. 4½pc.	430	......	4½	—
35	32	Greek 7pc Ass.	32	......	3½	11.41
35	31	Do 6pc 28 Stab. Ass.	31	......	6	9.68
34	30	Do 4pc Mixed Ass.	30	......	4	6.73
53	51	Hung. '24 Ass.	51	......	—	5.67
65	50	Iceland 6½pc '83-88	50	......	—	16.20
85½	79	Ireland 7½pc '81-83	85	–½	7½	14.30
79½	71¼	Do 9¾pc '91-96	73	–½	9¾	14.05
235	200	Japan 4pc '10 Ass	200	......	—	—
69	57	Do 6pc '83-88	57	......	6	11.70
155	155	Peru Ass. 3pc.	155	......	3	2.00
$92½	$90	S.G.I. 6½pc 1980	$92½	......	6½	7.02
$94½	$84	Turin 9pc 1991	$84	......	10.71	10.11
DM91	DM90	Turin 6½pc 1984.	DM90	......	9.90	9.30
96	96	Uruguay 3½pc.	96	......	3½	3.80

AMERICANS

1980 High	Low	Stock	£	+ or –	Div. Gross	C'vr	Y'ld Gr's
23⅝	16⅞	ASA	18⅜	+⅝	$3.00	—	7.4
34	27½	AMF 5% Conv.'87	27½	......	5%	—	[illegible]
18½	15⅜	Abbott Labs.$	17¾xd	......	$1.20	—	3.1
25¼	18⅝	Amax $1	18⅞	–⅜	$2.40	—	5.7
14½	11½	American Express	14½	+¼	$2.0	—	6.2

CANADIANS

BANKS AND HIRE PURCHASE

1980 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
244	202	ANZ SA1	207	......	Q22c	3.7	5.4	5.0
228	183	Alexanders D. £1	225	–3	16.0	—	10.2	—
£76½	£56	Algemene Fl.100	£65	–½	Q25%	Φ	8.0	Φ
345	290	Allen Harvey £1	340	–5	21.5	—	9.0	—
128	108	Allied Irish	110	–2	hQ8.09	—	7.1	—
16¼	13	Ansbacher (H.) 5p.	13½	–¼	—	—	—	—
230	180	Arbuthnot L. £1	228	–2	†10.42	—	9.3	—
360	320	Bk. Ireland £1	320	–5	Q25.0	—	7.6	—
£162	£146	Do. 10pc Conv.	£150	......	Q10%	—	†6.7	—

BANKS & HP—Continued

Hire Purchase, etc.

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INDUSTRIALS—Continued

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
34	27	Hawkins & Tipson.	27	−2	1.0	3.2	5.3	8.2
16¾	11	Hawtin 5p	12	−¾	0.25	6.7	3.0	5.5
54	48	Hay (Norman) 10p	48	......	3.35	♦	10.4	♦
176	117	Hay's Wharf £1	147	−2	F7.21	3.1	7.0	(5.8)
66	57	Heather 'A' 10p	66	......	2.5	3.5	5.4	7.6
112	86½	Hepworth Ceramic	101xd	......	5.0	3.3	7.1	4.9
36	22	Hestair	28	+2	1.0	♦	5.3	♦
50	42	Hewitt (J.)	50xd	......	1.5	♦	4.3	♦
43	30	Highgate & Job 50p.	33	......	—	—	—	—
63	48	Hill (Chas.) £1	48	......	—	—	—	—
33	22	Hirst Mal'son 20p	25	......	2.6	1.4	14.9	(4.8)
80	75	Holden (A.)	80	......	†4.0	3.4	7.1	5.6
51	45	Hollis Bros	45	......	†5.12	1.8	16.3	4.3
256	218	Holt Lloyd Int. 10p	220	−2	F9.0	2.3	5.8	12.1
172	120	Hoover 'A'	168	−2	12.0	0.9	10.2	(14.4)
97	93	Hoskins & H 20p	93	−4	8.0	♦	13.0	♦
†80	54	Howard Tenens	54	−5	b2.28	—	6.0	—
375	230	Hunting Assoc.	320	−5	22.5	11.4	1.1	9.1
90	66	Huntleigh 10p	78	−1	1.19	♦	2.2	♦
87½	61	Hutch Whamp SHK1	73	−4½	Q028c	♦	3.6	♦
25½	19	Hyman (I. & J.) 5p	20	−½	1.25	♦	9.4	♦
£11¼	845	I.C. Industries[..]	975	+20	Q51.84	—	8.4	—
145	111	ICL	125	−7	h2.97	6.9	3.4	4.6
32	24	Ingall Inds. 10p	24xd	......	12.27	1.7	13.5	7.0
134	107	Initial Services	128	−1	†5.5	2.5	6.1	7.6
18	10	Inter-City 20p	14	......	1.17	4.0	11.9	2.4
57	45	J. B. Holdings 10p.	45	......	3.0	♦	9.9	♦
150	120	Jacksons Bourne	120	......	†♦3.0	3.3	3.6	11.4
16½	14½	James (M.) Inds. 20p	16½	......	20.75	3.3	6.5	9.9
149½	108	Jardine M. SHK5	124xa	......	M082c	♦	6.2	♦
29	22	Jentique	23	......	2.48	1.6	15.4	4.3
7	4½	Johnson & Barnes	5	......	—	—	—	1.9
180	135	Johnson Clnrs.	154	−3	6.2	♦	5.8	♦
300	205	Johnson Mthy. £1	255	+10	†8.5	2.9	4.8	8.7
57	39½	Jourdan (T.) 10p.	56xd	......	4.2	0.7	10.7	18.4
75	64	Kalamazoo 10p	64	−1	3.75	1.6	8.5	10.6
133	98	Kelsey Inds.	130	......	6.0	4.1	6.6	5.3
[illegible]	[illegible]	Kennedy Sm. 10p	60	......	t2.8	3.7	6.7	7.9

INSURANCE—Continued

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
223	185	Heath (C.E.) 20p.	205	−5	†5.42	4.7	3.8	[illegible]
112	83	Hogg Robinson	103	−4	†4.94	2.5	7.1	[illegible]
114	94	Howden (A.) 10p.	98xd	−3	7.0	1.7	10.2	[illegible]
£47	£39	Do Warrants	£43	−1	—	—	—	[illegible]
179	151	Legal & General	161xd	−2	7.6	—	6.7	[illegible]
168	142	Lon. & Man. 5p	164	−2	8.75	—	7.9	[illegible]
155	122	London United 20p	150	......	9.0	♦	8.9	[illegible]
111	95	Minet Hldgs. 20p.	95	......	4.47	♦	6.8	[illegible]
32	25	Moran (Christ) 20p	25	−1	4.0	1.3	22.9	[illegible]
326	268	Pearl 5p	316xd	−10	17.0	—	7.7	[illegible]
254	208	Phoenix	212	−8	13.3	—	9.3	[illegible]
164	136	Provident	164	......	10.2	—	9.2	[illegible]
189	162	Prudential	178xd	−5	9.5	—	7.6	[illegible]
166	140	Refuge 5p	150	−4	10.6	—	10.1	[illegible]
356	307	Royal	315	−5	21.5	—	9.8	[illegible]
105	88	Sedgwick 10p	101	−2	5.0	2.3	7.1	[illegible]
82	67	Stenhouse	74	−2	4.52	2.3	8.7	[illegible]
215	168	Stewart Wr. 20p.	202	−6	12.0	♦	8.8	[illegible]
589	520	Sun Alliance £1	566	−10	28.0	—	7.3	[illegible]
163	130	Sun Life 5p	160	−3	H7.5	—	6.8	[illegible]
541	433	Taisho Mar. EDR	450	......	Q10.0%	—	0.3	[illegible]
193	155	Trade Indemnity	180xd	......	5.6	—	4.4	[illegible]
£19⅞	£15¼	Travelers $2.50	£17⅛	−¼	Q52.48	—	6.5	[illegible]
250	207	Willis Faber	227	−10	11.0	1.8	7.2	[illegible]

LEISURE

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
74	60	Anglia TV 'A'	66	−1	3.57	3.0	7.7	[illegible]
99	81	Assoc. Leisure 5p	94	......	†4.25	2.6	6.5	[illegible]
129	112	Barr & W.A.T. 'A'.	112	−1	16.75	6.6	8.6	[illegible]
63½	45½	Black Edgtn. 50p.	49	......	5.0	♦	15.5	[illegible]
136	86	Boosey & Hawkes	118	−2	5.67	♦	7.1	[illegible]
90	50	Campari Int. 20p.	54	......	†h3.65	3.5	9.7	[illegible]
80	60	Coral Leis. 10p.	63	−2	7.45	Q2.2	18.0	[illegible]
95½	81	Fairline Boats 10p	81	−1	3.5	3.6	6.2	[illegible]
55	37	Glasgow Pavilion 10p	43½	−1½	—	—	—	[illegible]
34	24	Grampian 'A' 10p	34	+1	2.28	♦	10.0	[illegible]
106	90	HTV Non/Vtg.	95	[illegible]	10.0	1.5	15.[illegible]	[illegible]

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FINANCIAL TIMES

Saturday April 26 1980

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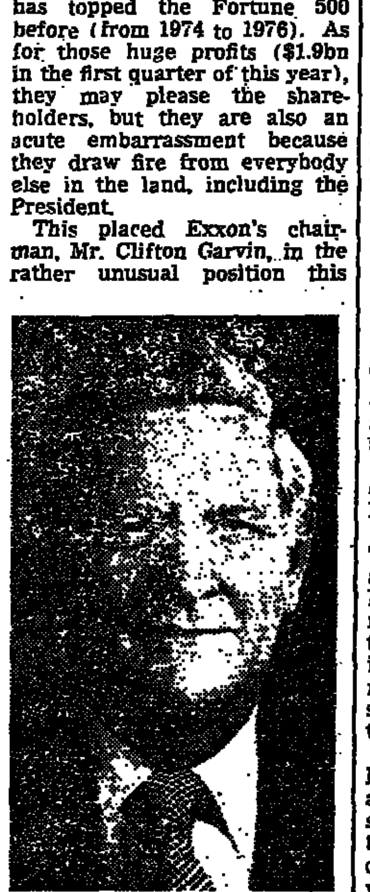
Trying to justify the profit

BY DAVID LASCELLES

FOR A COMPANY that has just become the largest in the world, and smashed all U.S. earnings records, Exxon was being noticeably reticent this week. There were no celebrations or even quiet murmurings of satisfaction in its mid-town Manhattan skyscraper headquarters. Rather the opposite. Everyone there was on the defensive, as if all the publicity was unwelcome and unnecessary.

In many ways it is. Exxon has topped the Fortune 500 before (from 1974 to 1976). As for those huge profits ($1.9bn in the first quarter of this year), they may please the shareholders, but they are also an acute embarrassment because they draw fire from everybody else in the land, including the President.

This placed Exxon's chairman, Mr. Clifton Garvin, in the rather unusual position this



Clifton Garvin
A man of few words, most of them blunt.

week of having to summon a Press conference to defend, explain and justify profits which at an earlier stage of U.S. history would have seemed not only right and proper but cause for much rejoicing.

This irony is not lost on Garvin, a stocky chemical engineer who has been running Exxon for the past five years. Ever since oil prices began to soar a couple of years ago, he has bene trying to convey the message that oil companies must be allowed a proper return on their money if they are to open up sorely needed energy resources.

But he has found this a frustrating task. The public, beset by soaring petrol prices, does not believe him: the media are deeply sceptical, and Washington plainly does not believe him either, judging by the swingeing tax it has just passed in oil company profits.

Some of this may be because Garvin is not the type who draws a crowd. A man of few words, most of them blunt with the occasional flash of wit, he sems cold and aloof. Physically he has few distinguishing characteristics, and virtually nothing is known of his private life except that he is married and ha sfour children. (Exxon will not even say exactly where he lives, for security reasons.)

Garvin has spent virtually his whole working life with Exxon. Starting out as a process engineer at one of its refineries in 1947, he moved steadily up the company ladder, mainly on the chemical and refining side, until be became an obvious contender for the top job when he was named President in 1972. Although he tok over as Chairman in 1975 in the lull after the first oil crisis, he was soon beset by the second, and this wreaked such changes in the oil industry that Garvin may well be presiding over a historic turning point in Exxon's evolution.

His main problem is that events are transforming Exxon from a net supplier to a net buyer of oil on the world market, and this has forced him into some hard thinking about where Exxon goes next. As he sees it, Exxon will remain primarily an oil company for the rest of the century. But he has started reshaping it for the decades after that by diversifying into electronics, non-oils fuels and "synthetics"—coal in gas or liquid form.

But all this is costing billions of dollars, which is why Garvin argues so forcibly for those huge profits he is chalking up. This year alone, he pointed out on Wednesday, Exxon will invest $7.5bn, though in an aside to the stock market he warned that current profit levels may not continue.

Garvin will probably be around to see some of the fruits of the changes he has set in motion. Still only 58, (mandatory retirement age at Exxon is 65) he is still young by U.S.

Cossiga initiative raises hopes on EEC budget

BY MARGARET VAN HATTEM AND JOHN WYLES

EEC GOVERNMENTS were making energetic and unexpected efforts last night aimed towards reaching substantial agreement on the British budget problem during the EEC Heads of Government summit which starts in Luxembourg tomorrow.

With the Iranian crisis vying for Community leaders' attention at the meeting, Sig. Francesco Cossiga, the Italian Prime Minister, who will preside over the summit, launched a personal initiative in Paris and London which, with additional help from West Germany, strengthens hopes of progress towards an agreement between Britain and her EEC partners.

The deep anxieties in EEC capitals about possible consequences of the failed rescue mission in Iran, and a consequent desire to present a united front, is clearly giving a psychological impetus to the Community's search for a settlement of the budget row.

Yesterday's flurry of activity in the EEC capitals included meetings betwen Mr. Cossiga and President Giscard d'Estaing of France, and between the Italian Prime Minister and Mrs. Margaret Thatcher, the British Prime Minister.

French and German Foreign and Agricultural Ministers lunched together in Paris and, towards the end of the afternoon, the French Government asserted that France could see the basis for constructive solutions in Luxembourg.

Downing Street was more cautious about the outlook after the 2½-hour discussions between Mr. Cossiga and Mrs. Thatcher at which Lord Carrington, Foreign Secretary, was present.

One of the reasons for the unexpected optimism in Paris is the possibility of progress on the farm price front which may include a scratch meeting of Agriculture Ministers in Luxembourg today.

Earlier this week, EEC farm ministers failed in 30 hours of negotiation to resolve the conflict between France, which insists on a 5 per cent average price rise, and Britain, which wants a price freeze at least on those products chronically in surplus.

It is not clear whether yesterday's apparent determination to resolve the problem at the eleventh hour is based on a continuing bid by the French and Germans to press the British Government to yield, or on their own willingness to make new concessions.

If Mrs. Thatcher is offered a reduction of about £700m on Britain's anticipated net contribution of £1.1bn to Brussels this year, she may well be ready to concede on farm prices, although these, without supplementary action to curb rising dairy costs, could put about £120m back on to the UK's budget contribution.

Oil search fees soar

BY RAY DAFTER, ENERGY EDITOR

THE Government is expected to ask the oil industry to pay about £100m for the right to drill on some of the best North Sea blocks to be offered in the coming round of offshore licences.

The Energy Department and Treasury have apparently agreed to ask prospective licensees to make a down payment of some £4m for each of the 20 to 30 nominated blocks included in the seventh licence round. These blocks are to be selected by the industry, rather than by the Government.

For the first time in the North Sea, applicant companies are being allowed to specify some of the blocks on which they would like to drill for oil or gas. Inevitably these blocks will be chosen because they contain promising geological structures.

The Government had considered auctioning these special blocks which will form part of a much broader licence round, probably comprising 90 to 100 blocks. The auction concept was dropped for two main reasons:

It would have been difficult to combine an auction with the UK system of discretionary awards, where the Energy Secretary, Mr. David Howell, chooses the licensees on the basis of their financial standing, technical expertise, UK interests and so forth.

It would have favoured the large, cash-rich, multi-national companies at a time when the Government is committed to encouraging more smaller UK independent groups to take a stake in North Sea oil exploration.

Apart from applying the £4m-per-block premium payment on the nominated licences, the Government may make the exploration conditions tougher than usual. It may, for instance, call for more obligatory wells to be drilled than in other blocks.

Details of the seventh round of licences are expected to be announced within the next week or so. But it could be next year before all the licences are awarded and initial seismic work begins.

In addition to the premium payments it is almost certain that the basic rental charge of new licences will be increased above the rates charged for blocks in previous rounds.

Birmingham paper halts production

By Pauline Clark, Labour Staff

THE BIRMINGHAM Post and Mial yesterday became the third major provincial newspaper group to suspend publication because of the national industrial action over pay by print craftsmen.

While the move demonstrated a continuing hardening of attitudes by both union leaders and employers, it was offset by renewed attempts to seek a solution to the provincial printers' dispute through the Advisory Conciliation and Arbitration Service (ACAS).

All sides in the dispute agreed to meet ACAS last night

The International Publishing Corporation (IPC) has dismissed the 1,300 journalists working for its Business Press and Magazine divisions, following a one-day strike earlier this week i nsupport of a pay claim.

in the first move towards conciliation since the breakdown in negotiations. This caused industrial action to spread to Fleet Street earlier this week.

Mr. David Hopkinson, editor-in-chief of the Birmingham Post and Mail, said that 340 members of the National Graphical Association had been "deemed to have dismissed themselves" after a stoppage called by national unio nleaders.

All five newspapers in the group, he said, had been disrupted by a prolonged mandatory chapel (union branch) meeting held by NGA members in the machine and composing rooms from yesterday morning.

This followed four weeks of sporadic action in the form of restrictive practices

In the past fortnight, the Bristol United Press and the Cambridge Evening News have also suspended publication because of the dispute.

The British Printing Industries Federation and the Newspaper Society earlier this week called for a lock-out of 45,000 NGA printers on provincial newspapers and printing companies from Monday. In retaliation, the union has warned that further sympathetic action may be taken by Fleet Street printers following a stoppage on The Sun on Wednesday night.

The union and employers have remained in deadlock for some five weeks since industrial action was started in the provinces, although two other major print unions, SOGAT and NATSOPA have accepted in recent ballots the employers' offer of a £75 minimum earnings level and a phased reduction to a 37½ hour week by July 1982.

Texaco-Gulf refinery hit by laggers' row

BY NICK GARNETT, LABOUR STAFF

THE SAME type of lagging dispute which ended construction work on the Isle of Grain power station has spread to the construction of Texaco-Gulf's £500m refinery expansion project at Milford Haven, Wales.

Some union officials said yesterday that it appeared inevitable that such disputes—which centre on bonus payments for thermal insulation engineers—would afflict other major construction sites.

The Littlebrook D oil-fired power station in Kent and the Shell-Esso petrochemical site at Mossmorran, Fife, have been cited as possible schemes were future lagging work could be severely jeopardised, although in the latter case such work is not due to start for some time.

Main contractors for the Texaco-Gulf project said lagging work was not scheduled to begin yet. Mr. John Baldwin, general secretary of the Amalgamated Union of Engineering Workers' construction section, said however that the position there was now critical.

Although the Milford Haven dispute has been developing separately from that of the Isle of Grain, it results from the same attempt to place ceilings on laggers' earnings.

The Isle of Grain dispute, which has meant the loss of more than 2,000 jobs, has also appeared to have made some unions more willing to resist leap-frogging pay agreements which characterise large construction sites.

Engineering construction unions at Milford Haven have been working to a site agreement which provides a rate of £3.50 an hour.

The laggers, members of the General and Municipal Workers Union, are not part of that agreement and are insisting that their terms must be within their own national agreement, which provides for open-ended cash payments.

The engineering costruction unions have tol dthe oil companies, however, that the laggers must be paid within the framework of the site agreement. Because of this, it appears that no thermal insulation contractor has been prepared to tender for lagging work.

Mr. Baldwin said yesterday that if open-ended bonuses were conceded to laggers, other construction unions would tear up their own site agreements at Milford Haven. "We've got to bring some rationalisation to pay on these big sites," he said.

Mr. Frank Earl, GMWU national officer, said, however, that his union could not let other unions which had separate working agreements control the pay of laggers.

A new national agreement for engineering construction is being drawn up. Mr. Baldwin said, though, that unless contractors gave "copper-bottomed guarantees" that lagging would be covered by this agreement, his union would not sign it.

The GMWU reaffirmed yesterday that it worked to a separate national agreement, which it intended keeping.

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Washington

been misled, despite the fact that the secret military mission got the basic go-ahead two weeks ago, well before the Luxembourg meeting of EEC Ministers.

The EEC had decided to phase in sanctions in mid-May in the belief that it was heading off U.S. military action. Mr. Powell admitted a smokescreen had been put round the secret operation.

In a clear attempt to allay European concern at the risk of the Iran crisis seriously spreading, Mr. Carter ended his brief statement by saying that the U.S. would "see to continue along with other nations and the officials of Iran and prompt resolution of the crisis without any loss of life and through peaceful and diplomatic means."

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Raid

Somewhere between leaving their base on board the aircraft carrier, Nimitz in what Mr. Brown described as "the Iranian Sea" he would not identify the land base of the transporters although Israeli radio monitors say the aircraft felw from Egypt —one helicopter was forced to the ground wth mechanical problems and the crew picked up. Then a second machine experienced problems and returned successfully, to the Nimitz.

Meanwhile, however, the U.S. force encountered another problem and a busload of 50 Iranians had to be held captive by the Americans until the retreat had been effected.

Fraser leaves SUITS

BY CHRISTINE MOIR

SIR HUGH FRASER has suddenly resigned all his directorships of Scottish and Universal Investments (SUITS), now part of the Lonrho empire, without first informing Mr. Tiny Rowland, Lonrho's chief executive.

The announcement yesterday evening came as a surprise to Lonrho, according to Mr. Paul Spicer, a Lonrho director.

However, Mr. Spicer denied any rupture in the long friendship between Sir Hugh and Mr. Rowland.

The immedate issue concerns House of Fraser, of which Sir Hugh is chairman. On Thursday Lonrho, which owns just under 30 per cent of House of Fraser, said it intended to pressure the board to increase the store group's dividend from 4p to 6p per share at the forthcoming annual meeting.

Sir Hugh, therefore, was in the position of opposing Lonrho as chairman of House of Fraser, while acting for Lonrho as a director of one of ts major subsidiaries, SUITS.

The conflict of interest between these two position has existed since Lonrho successfully bid for SUITS last spring.

Sir Hugh, who had originally promised to resign from SUITS if Lonrho's first bid failed, joined the SUITS board in rejecting Lonrho's second offer, then recommended its revised and ultimately successful offer. After the takeover, he retained his directorships of SUITS until yesterday.

Weather

UK TODAY

CLOUDY, OCCASIONAL rain; brighter in W. later.

London, S.E., E. and N.E. England
Sunny intervals, showers. Max. 12-13C (54-55F).

S., N. and N.W. England, Channel Isles, Midlands, SW. Scotland
Cloudy, occasional rain. Max. 11-13C (52-55F).

S.W. England, Wales, I. of Man
Cloudy, occasional rain, becoming brighter. Max. 12-14C (54-57F).

Argyll, N.W. Scotland, N. Ireland
Sunny intervals, showers. Max. 10-12C (50-54F).

Borders, Edinburgh, Aberdeen, Cent. Highlands, Moray Firth
Mainly dry, sunny periods. Max. 11-13C (52-55F).

N.E. Scotland, Orkney, Shetland
Sunny periods. Max. 10-13C (50-55F).

Outlook: Sunny intervals in S., rain in N.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	16	61	Locarno	F	17	63
Algiers	S	19	66		[illegible]	11	52
Amsdm.	C	7	45	Luxmbg.	C	3	37
Athens	S	17	63	Luxor	S	37	99
Bahrain	S	35	95	Madrid	S	17	63
Barclna.	F	17	63	Majorca	F	19	66
Beirut	F	19	66	Malaga	C	18	64
Belfast	C	11	52	Malta	S	18	64
Belgrd.	C	15	59	Mchstr.	C	9	48
Berlin	R	6	43	Melbne.	C	18	64
Biarritz	F	16	61	Milan	S	18	64
Bmghm.	C	8	46	M'ntreal	R	6	43
Blackp'l	C	10	50	Moscow	F	19	66
Bordx.	F	16	61	Munich	R	2	36
Boulgn.	C	8	46	Nairobi	C	20	68
Bristol	C	9	48	Naples	C	13	55
Brussels	C	6	43	Nwcatl.	C	8	46
Budpst.	R	8	46	Nice	F	15	59
B. Aires	C	26	78	N. York	C	12	54
Cairo	S	26	78	Nicosia	F	18	64
Cardiff	F	11	52	Oporto	S	21	70
Casbca.	C	20	68	Oslo.	S	13	55
Cape T.	S	19	66	Paris	C	11	52
Chicago	C	6	43	Perth	S	20	68
Cologne	R	5	41	Prague	R	3	37
Cpnhgn.	C	10	50	Reykjvk.	F	4	39
Corfu	F	17	63	Rhodes	S	18	64
Dublin	C	10	50	Rio J'o	S	30	86
Dbrvnk.	F	14	57	Rome	F	16	61
Ednbgh.	F	11	52	Salzb'rg	C	4	39
Faro	C	19	66	Singapr.	S	31	88
Florence	F	17	63	Stckhm.	C	5	41
Frankf't	F	17	63	Strasbg.	C	5	41
Genova	C	9	48	Sydney	C	20	68
Gibrltr.	F	18	64	Tangier	C	19	66
Glasgow	F	14	57	Tehran	C	22	72
G'msey	C	11	52	Tel Aviv	F	20	68
Helsinki	F	20	68	Tenerife	F	16	61
H. Kong	C	20	68	Tokyo	C	11	52
Innsbrk.	C	7	45	Toronto	R	6	43
Invrnss.	S	11	52	Tunis	S	17	63
I.o.Man	C	9	48	Valencia	S	17	63
Istanbul	F	15	59	Venice	C	14	57
Jersey	C	12	54	Vienna	R	5	41
Jo'burg	S	19	66	Warsaw	F	13	55
L. Plms.	F	22	72	Zurich	C	6	43
Lisbon	F	17	63				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Continued from Page 1

Tehran

and our school is the school of Jihad (holy war)."

Both Mr. Qotbzadeh and President Abol Hassan Bani-Sadr warned that some U.S. personnel might still be in the area of the desert airstrip, which was apparently being used as a forward base for the operation. Revolutionary guards in the area have been broadcasting appeals to the local population to be on the lookout for any suspicious people.

When the Iranian President flew over the area on Friday he said he saw two destroyed aircraft and five helicopters. The "equipment fault" mentioned by President Carter was not defined but it was believed that the operation was at least partly upse by a bus travelling along a nearby dirt road, whose occupants were captured

THE LEX COLUMN

The markets take it calmly

From the immediate reactions yesterday in the financial markets it looked as though most of the funk money had already found its bolt-hole in previous months of crisis. certainly gold went up—by some $40 between the London afternoon fixings on Thursday and yesterday—and there was pressure on the dollar. But these movements were by no means exceptional compared with some of the sharp swings sen earlier this year.

As for the UK securities markets, most of the damage seemed to reflect precautionary mark-downs by the jobbers and there was little sign of any selling other than by short-term traders. Gilt-edged were down by about a point at the long end, and an early fall of 8.6 points on the FT 30-Share Index at 10 o'clock turned into a drop of 7.3 by the close.

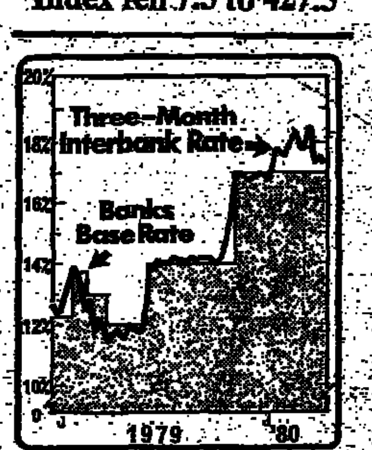
Any Middle East crisis these days, of course, can send sterling only one way. Yesterday the trade-weighted index touched a new 4½ year peak of 74.1 at the nonn calculation, and by the close was still at a level to make exporters shudder and importers raise their sales targets.

A lot of contingency economic analysis is being conducted on the basis that oil production from the Gulf might be shut down, and indeed some of the smaller North Sea production shares like Tricentrol were firm yesterday. However, the majors such as Shell and BP attracted no particular interest.

Yesterday's market reactions, however, are not necessarily a guide to what might happen over a period of weeks. The news background yesterday was confused, if not baffling, and it is still unclear what the responses of Iran, the Soviet Union and the other Gulf States are likely to be. To the extent that a quick clean end to the hostage crisis now appears to be ruled out, the markets are probably condemned to a further period of heightened political tension. Moreover, there is a danger that the setback to American foreign policy will also damage, at least in the eyes of international investors, the credibility of U.S. economic management.

But the rise in the gold price yesterday was by no means entirely the result of political fears. Even before the news of the U.S. desert escapade broke, gold had moved up to $530 in New York on Thursday evening. The IMF meeting in Hamburg, by failing to arrange for the series of gold sales to continue did a good deal to help the market. And gold's reputation as a bullion investment shines even brighter after the silver market collapse.

Index fell 7.3 to 427.5



Thorn EMI

EMI's half-year figures to December are of more than historic interest since the transformation of £18.1m pre-tax profits into a £2.8m loss underlines not only the urgency of the takeover but the problems that Thorn has inherited. The leisure division has been badly hit by a gap in the flow of new albums, while the TV strike has resulted in a turnround of about £3½m in the contribution from Thames. But the medical electronics division has represented the real drain, with trading losses in the region of £7m to £10m.

While EMI, helped by a better flow of music albums, is still expected to contribute a small pre-tax profit in the four months to end-March that will be consolidated, the losses on the medical side have deteriorated even further in the current year. But it now looks as if the imminent announcement of measures ot deal with the division will both require a high level of provisions and reflect less than a complete break. The share price fell 6p yesterday to 302p.

Clive Discount

There had been plenty of warning that Clive Discount had been badly hit when it failed to foresee the rise in interest rates which culminated in 17 per cent Minimum Lending Rate last November. Even so the shares crashed another 10p to 38p, less than half the 1980 high, as the market digested the significance of the disclosed £4.16m loss. In one year Clive has lost half its published capital and reserves. And the position is in reality even more serious, for the company has covered part of the true loss by drawing on hidden reserves. It is a fair guess that little of these are now left, and in all Clive could have seen two-thirds of its capital eroded. No wonder there is no final dividend.

Because the size of book which discount houses run is linked to their capital reserves, Clive will now have to shrink its operations radically — though it remains to be seen whether the Bank of England will be flexible in enforcing the normal 30 times multiplier. True net worth is unlikely to be much more than 25p or so. In recent weeks the company has recovered its balance and is currently trading at a modest profit. But the only significant support for the shares lies in the availability of big tax losses; and those will only be utilisable in the near term if there is a sharp fall in interest rates and so a major bull market in gilt-edged.

Kwik Save Discount

Kwik Save's form of discounting may be more profitable than Clive's, but the group has had a rough first half all the same. Pre-tax profits in the six months to February show a rise from £5.2m to £6.1m, but without investment income concessionaire rentals and a profit of £0.85m on a property sale there is a 7 per cent decline to £3.9m on sales up 26 per cent.

Some exceptional factors have depressed earnings: an uncharacteristic overdraft, related to stocks of canned goods over the steel strike, has cost £150,000, and costs of £300,000 connected with warehouse reorganisation should not recur. Still, volume growth from Kwik Save's existing branches seems to have been less than 2 per cent, and it is clear that, with increases in costs running well ahead of food price inflation, net margins have come under pressure, and will remain so in the second half.

For the year as a whole, Kwik Save may turn in £13m before tax and exceptional items, against £12.2m, which puts the shares on a p/e of 9½ (fully taxed) at 89p, where the prospective yield is over 6 per cent. This is not dear against the food retailing sector, but the sector itself may still be rather expensive — certainly Kwik Save's experience suggests that profit forecasts for Tesco and Sainsbury need trimming a little further.

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